



City of Rockville  
Rockville, Maryland

**REQUEST FOR PROPOSAL #22-16**  
**401(a) Thrift Plan and 457(b) Plan Bundled Deferred**  
**Compensation**

**Proposals Due by 2:00 P.M., FRIDAY, APRIL 8, 2016**

ISSUED BY:

Purchasing Division  
City of Rockville, City Hall  
111 Maryland Avenue  
Rockville, Maryland 20850  
Phone: (240) 314-8430  
Fax: (240) 314-8439

Any individual with a disability who would like to receive the information in this publication in another form may contact the ADA Coordinator at 240-314-8100, TDD 240-314-8137

**MFD Outreach Program**

**It is the intent of the City of Rockville to increase opportunities for minority, female and disabled (MFD) owned businesses to compete effectively at supplying goods, equipment, and services to the City, within the constraints of statutory purchasing requirements, departmental needs, availability, and sound economical considerations. Suggested changes and MFD enhancements to this solicitation's requirements for possible consideration and/or inclusion in future solicitations are encouraged.**

**CITY OF ROCKVILLE  
ROCKVILLE, MARYLAND  
REQUEST FOR PROPOSAL # 22-16  
401(a) Thrift Plan and 457(b) Plan  
Bundled Deferred Compensation**

Sealed proposals addressed to the City of Rockville, Maryland to provide 401(a) Thrift Plan and 457(b) Plan to provide bundle deferred compensation: recordkeeping/administration, communication/education, custodial trustee services/investment management services, employer education, and investment advisory services will be received at Rockville City Hall, Purchasing Division, Attention: Jessica Blow, Purchasing Manager, 111 Maryland Avenue, Rockville, Maryland 20850 until **2:00 PM (Eastern), FRIDAY, April 8, 2016**. No proposals will be accepted after that time.

The City will not accept fax proposals or proposals sent via e-mail. All faxed or e-mailed proposals will be rejected and returned.

**RECEIPT AND HANDLING OF PROPOSALS**

The offeror assumes full responsibility for the timely delivery of the proposal to the designated location. Proposals delivered to any other office or location will not be considered.

In accordance with Chapter 17 of the City's Purchasing Ordinance, competitive sealed proposals are not publicly opened or otherwise handled so as to permit disclosure of the identity of any offeror or the contents of any proposal to competing offerors during the evaluation process. The proposals, except for information identified by the offeror as proprietary, shall be open for public inspection after the contract award.

**PROPOSAL DOCUMENTS**

The proposal documents are available several ways:

1. Download the document from the City website at <http://www.rockvillemd.gov> Click on bids and proposals.
2. Visit the Purchasing Division and pick up a proposal packet between the hours of 8:30 A.M. and 5:00 P.M., Monday through Friday, excluding government holidays. We are located at Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland 20850.

**PRE-PROPOSAL MEETING**

No pre-proposal meeting is scheduled for this project.

**SUBMITTAL OF QUESTIONS**

Prospective offerors are requested to submit any questions no later than **FRIDAY, MARCH 18, 2016** to Jessica Blow, Director of Procurement, via e-mail at [jblow@rockvillemd.gov](mailto:jblow@rockvillemd.gov). Oral answers to questions relative to interpretation of requirements or the proposal process will not be binding on the City. The City reserves the right to include questions and responses in the form of written Addendums, as it deems necessary.

**SITE LOCATION**

Various, primarily Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland

**NOTICE TO BIDDERS**

"Pursuant to 7-201 et seq of the Corporations and Associations Article of the Annotated Code of Maryland, corporations not incorporated in the State shall be registered with the State Department of Assessments and Taxation, 301 West Preston Street, Baltimore, MD 21201 before

doing any interstate or foreign business in this State. Before doing any intrastate business in this State, a foreign corporation shall qualify with the Department of Assessments and Taxation." Bidders must supply with their bids their US Treasury Department Employer's Identification Number as such number is shown on their Employer's Quarterly Federal Tax Return (US Treasury Department Form No. 941). Companies located outside Maryland should call 1-410-767-1006, or e-mail: [charterhelp@dat.state.md.us](mailto:charterhelp@dat.state.md.us).

**QUALIFICATIONS TO CONTRACT WITH PUBLIC BODY**

Bidders must be qualified to bid in the State in accordance with Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland which ordains that any person convicted of bribery (upon acts committed after July 1, 1977) in furtherance of obtaining a contract from the State or any subdivision of the State of Maryland shall be disqualified from entering into a contract with the City.

**DISABILITY INFORMATION**

Any individuals with disabilities who would like to receive the information in this document in another form may contact the ADA Coordinator at (240) 314-8100; TDD (240) 314-8137.

**W-9 FORM REQUIRED**

Successful respondents are required to complete and submit a W-9 Form. The W-9 form can be accessed at: <http://www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3>. It is the successful respondent's responsibility to act upon this instruction for submitting a W-9 form. The City will not be able to process payments if this form is not completed and submitted to the Purchasing Division.

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# **SECTION I**

## **Introduction/Overview**

## **A. Purpose/Objective**

The Mayor and Council, City of Rockville (the “City”) is seeking competitive proposals from qualified firms to provide deferred compensation recordkeeping/administration, communication/education, investment management, and custodial trustee services for the City of Rockville 401(a) and 457(b) Plans (the “Plans”).

### **1. Background**

The Rockville Employees Retirement System Board (ROCKERS) “(Board)” administers the Plans on behalf of participants in the Plans. The Board is responsible for selecting vendors to provide services to the Board including recordkeeping, communication/education, overall fund/investment selection and custodial services. A brief summary of the Plans follows:

The 401(a) Plan allows administrative and union employees to contribute between one (1) to five (5) percent of their base salary, on a pre-tax basis. The deferral election is made at the time of hire and may not be changed. The City makes a matching contribution of 50 cents for each dollar contributed. A minimum of one (1) percent of base salary is mandatory for participation. Employees have different investment fund options in which to direct contributions. The investment direction may be changed biweekly. Vesting in the defined contribution portion occurs at 100% after three years of credited service. Normal retirement is at age 60. Payroll is submitted on a biweekly basis by the employer. There are two locations around the City that would need to be covered by the onsite representatives.

The City’s 457(b) Plan is a voluntary supplemental savings plan that is available to all benefited employees. Participating employees may have a portion of their salaries withheld, subject to limitations imposed by the Internal Revenue Service. There is no City matching contribution. Employees have different investment fund options in which to direct contributions. Payroll is submitted on a biweekly basis by the employer. There are two locations around the City that would need to be covered by the onsite representatives.

As of **December 31, 2015**, the 401(a) Plan had a market value of \$26.6 million and the 457(b) Plan had a market value of \$22.5 million. The City currently uses different providers for each of the plans.

## **B. Scope of Services**

The City is looking for proposals for a single proposer to administer both the 401(a) and 457(b) plans. The services being requested include recordkeeping and administration, employee communication and education, custodial trustee/investment management services, employer education and investment advisory services.

While this RFP expects to award a single contract for 401(a) and 457(b) services, the City reserves the right to award separate contracts to different providers for the services outlined above.

### **1. Implementation Services**

All proposers must provide a detailed plan transition strategy along with the appropriately branded communication materials to explain any new Plan changes and enhancements. The potential conversion from the current plan provider to a new provider will require proposers to provide an explanation of the process, blackout period and reconciliation of plan assets to the individual participant records.

### **2. Recordkeeping and Administration Services**

All proposers must provide detailed information about their deferred compensation recordkeeping and administrative systems and use of technology. Important factors include the ability to process payroll deductions, monitor compliance, process participant transactions on a daily basis, provide timely and accurate participant statements and plan level financial statements and the capability to create custom reports that may be deemed necessary in support of the external audit function. The service provider selected by the City must have in place a toll-free customer center, voice response system, and Internet services that allow participants access to self-service capabilities in both the 401(a) and 457(b) Plans.

The service provider's internet services must include data encryption and a secured method for the Plan to submit and receive payroll data as well as allow City staff and Plan auditors the ability to view participant demographic information and Plan activity.

### **3. Employee Communication/Education and Participant Services**

The City is looking for appropriate branding for all communications, forms and participant support services (i.e.: internet self-service, voice response system and call center). It is also important to the City that participants will be able to access plan information and model various investment and retirement scenarios via the internet web site and through call center interactions.

All proposers must provide a comprehensive employee communication and investment education program. Communication services are to be supported by customer service representatives and comprehensive Internet services that provide participants with interactive financial and retirement planning tools and software. A dual high-touch, high-tech approach will be required to provide the participants with all of the necessary financial information and data to make informed investment decisions related to their fund elections. An explanation that outlines your firm's capabilities in designing and implementing a communication/education strategy is required for both the initial transition and ongoing process. In addition, the service provider must provide a measurement of the results of this strategy at each quarterly City meeting. The goal is to identify a service provider that offers comprehensive communication/education services supported with local field representatives to accommodate the needs of the employees located throughout the City. In addition to your core communication services, field service representatives must be available to

provide one-on-one participant counseling. These representatives' compensation may not be structured for any bias towards any investment product.

The proposer will be required to assist employees with the completion of enrollment forms, verify the completeness of the forms and coordinate the institution of salary deferrals and plan contributions with the City's payroll system.

The proposer must prepare enrollment packages, which must be distributed at group meetings and in response to an employee's request and contain all information in a complete and concise manner so that an employee would be able to enroll in the Plan. The service provider must also provide enrollment counseling to employees who wish to discuss the Plan and the investment offerings in person or over the telephone.

The City will require a quarterly report from the service provider to monitor all plan level activities. This report shall include data on both the Plan and participation level, as well as the status and resolution of any participant problems, and developments in the delivery of plan services.

#### **4. Trustee/Custodial Services**

The proposer must provide trustee/custodial services for the Plan or arrange for trustee services with an outside party. Any additional costs for trustee/custodial services are to be fully disclosed in the fee section of this Request for Proposal.

#### **5. Investment Management Services: Investment Options**

While the Plans are interested in selecting a service provider that offers an attractive and flexible array of investment options, the investment line-up is not being considered with the RFP with the exception of stable value. The Plans are looking for an open architecture platform and no proprietary investment requirements.

#### **6. Stable Value**

The proposed stable value fund should be fully diversified, limit credit risk/exposure, provide competitive returns with no benefit payment limitations and provide attractive contract termination conditions such as transfer of book value with no market value adjustments or liquidation penalties. Investment options with any front-end or rear-end loads or other similar fees, charges or penalties will not be considered. The City would fully evaluate the features and rates of either a general account product or separate account product as the investment vehicle for its stable value fund category. The City may or may not elect to ultimately move forward with the recommended fund.

#### **7. Employer Education**

The proposer will be required to provide ongoing employer education as it relates to the day-to-day operation of the Plan including:



- a. Transmission and receipt of contribution/payroll files
- b. Features of the Plan sponsor website
- c. Plan compliance with current and future regulatory requirements including any participant notifications
- d. Providing documentation for the annual plan audit
- e. Communication and education program
- f. Administration procedure manual

## **8. Investment Advisory**

The proposer should provide online services to employees that provide asset allocation, fund and savings rate recommendations. Advisory services should take into account an employee's assets outside of the Plans as well. The Plans also expect a "managed account" solution, where an employee pays for their portfolio to be professionally managed, to be included as part of the investment advisory program. These services may be provided by the proposer or a third party.

## **C. Proposal Preparation**

### **1. Fees**

Each proposer must fully disclose fees based on the Plan information provided in this RFP.

### **2. Preparation Costs**

All costs incurred during proposal preparation or in any way associated with the proposal's preparation, response, submission, presentation, or oral interviews shall be the sole responsibility of the proposer and will not be reimbursed by the Plan.

### **3. Term of Contract**

The successful proposer must execute a contract providing the specified package of services in accordance with the City's requirements.

The initial contract term will be for 5-years with an option for a 5-year contract extension. The fee structure must be guaranteed for the full contract term, with favorable fee negotiations during the course of the contract. It is the City's expectation that as the size of the Plan assets increase during the term of the contract, the selected proposer will be willing to guarantee or negotiate appropriate fee reductions and related credit allowances allocated for Plan level expenses.

The City is not bound by any oral or written information released prior to the issuance of this RFP. Any materials and documents developed during the engagement will become the property of the City.

In submitting a proposal, the selected provider agrees that the City has access to and the right to examine directly all pertinent documents, papers and records of the proposer and/or any subcontractor as related to any contract and/or sub contract resulting from this RFP until six years after final payment has been made pursuant to any contract awarded as a result of the City's acceptance of the provider's proposal. The City has the exclusive ownership and unlimited rights to use, disclose, or duplicate for any purpose whatsoever, all information, data, designs, work products, and materials developed by the provider under contract.

The City reserves the right to refuse to do business with any proposer found to be non-responsive by the City. The City reserves the right to postpone or cancel this RFP and to reject all proposals.

If no agreement is reached with a proposer within a period of time considered reasonable by the City, the City may terminate negotiations and select another proposer, issue a new RFP, or take any other action consistent with the Plan's best interests. No proposer shall have any rights against the Plan, the City, or the City arising from such negotiations. By issuing this RFP, the City is not obligated to award a contract. The contract between the Plans, acting through the City, and the successful proposer shall contain provisions based on the specific requirements of this RFP, the successful proposer's proposal, and general provisions governing all Plan contracts. No elected or appointed member, agent, or employee of the City and/or the City shall benefit financially or materially from any contract resulting from this procurement. The City may terminate any contract resulting from this procurement if gratuities were offered or given by the contractor or his agent to any member, agent, or employee of the City.

The selected proposer is responsible for the entire contract performance. The proposer must indicate in the RFP if it intends to use a subcontractor for any part of the work. If so, the proposer shall identify each subcontractor by name, business address, and expertise, and must include the name(s) of the principal(s) of the subcontracting entity. A full description of the tasks to be performed by the subcontractor must be included.

The selected proposer shall be solely responsible for and shall indemnify and hold harmless the Plan, the City and their officers, employees, and agents from and against any and all liabilities, losses, costs, expenses (including, without limitation, attorney's fees and disbursements) and damages (losses), arising out of or in connection with any acts or omissions of the provider or a provider Agent, regardless of whether taken pursuant to or authorized by this agreement and regardless of whether due to negligence, fault, or default, including losses in connection with any threatened investigation, litigation or other proceeding or preparing a defense to or prosecuting the same. The proposer shall, upon the City's demand and at the City's direction, promptly and diligently defend, at the provider's own risk and expense, any and all suits, actions, or proceedings that may be brought or instituted against and the provider shall pay and satisfy any judgment, decree, loss or settlement in connection therewith. The proposer shall, and shall cause provider Agents to, cooperate with the

City in connection with the investigation, defense or prosecution of any action, suit or proceeding. The successful proposer must execute a contract providing the required services in accordance with the City's requirements.

The proposer understands that if any term or condition of this RFP or subsequent contract is determined to have been entered by an agent of the City without the appropriate authority, said term or condition shall be void and unenforceable.

The City reserves the right to accept or reject the account manager and other staff personnel designated for its programs, both initially and in future years. The successful contractor shall agree to ensure the continuity of the designated primary Account Manager and a backup designee, assigned to perform the service. Contractor represents and warrants that the primary Account Manager shall remain available throughout the term of the contract. Contractor represents and warrants that contractor shall not remove or replace the primary Account Manager and contractor agrees that contractor's removal or replacement of the primary Account Manager may be grounds for termination of the contract.

The City recognizes, however, that events beyond the control of contractor, such as death, physical or mental incapacity, long-term illness, or the termination of employment of the primary Account Manager, may require the Contractor to propose a replacement of another employee of the Contractor. In the event that such a replacement is necessary, Contractor agrees that the replacement person shall have equal or better qualifications at no additional cost to the City. No replacement person shall begin work on the contract without the prior written consent of the City.

The contractor will notify the City within three (3) business day of any account team changes.

The final award will be subject to the execution of a service contract acceptable to the City. The full response to this RFP will be considered part of the contract. In addition, the standard City of Rockville contract (attached) has to be accepted by, or at a minimum incorporated into, the selected proposers overall contract.

#### **4. Confidentiality**

This RFP and all materials submitted are not public information until the contract is executed subject to the provisions described in the proposal.

Proposers should specifically identify those portions of the proposal deemed to be confidential, proprietary information or trade secrets and provide justification why the City should not disclose such material upon request. Such confidentiality/proprietary information must be clearly marked and easily separable from the non-confidential section of the proposal. The selected proposer agrees to observe the confidentiality provisions and prohibitions against disclosure of all applicable Federal and State laws and regulations relating to the confidentiality of records and information gathered, obtained, reviewed, or developed in the

performance of the resulting agreement; and further agrees to require each of its employees, partners, and agents assigned to the performance of this agreement to observe said provisions. The provider must comply with the requirements of State of Maryland Law for safeguarding confidential information, the prohibition against disclosure of confidential information and the civil and criminal consequences of non-compliance.

#### **D. Minimum Qualifications of Service Provider**

The following are the criteria for a bundled provider to be considered as an eligible candidate to bid on the requested services described in this RFP. Proposers that are unable to accommodate any one of the minimum qualifications, please provide an explanation in the Certification of Compliance with Minimum Requirements of RFP (Attachment A).

1. Proposers must provide certification as a qualified firm to provide administrative services pursuant to Sections 401(a) and 457(b) of the Internal Revenue Code, including all rules and regulations of the State of Maryland and the City of Rockville.
2. Proposers must offer the following administrative services (i.e., deferred compensation recordkeeping/administration, employee communication/education, custodial trustee services, investment management, employer education, and investment advisory services for both 401(a) and 457(b) plan types).
3. Proposers must comply with all RFP specifications. Unless otherwise noted, in your cover letter, it is assumed that, by submitting a response to this RFP, proposer's response is intended to conform to the scope of services in every way.
4. Proposers must provide a representative who can provide a single point of contact, seamless administration and accountability, and meet, on a regular basis, with the City.
5. Proposers must demonstrate an ability to work with the City or designated representative and the City's consultants in implementation, communication, and administration of the Plan(s).
6. Proposers must have at least five (5) years' experience in providing the proposed services and products to the public sponsor deferred compensation marketplace.
7. Proposers must have a minimum of \$3 billion under administration for public sector plans where they administer both the 401(a) and 457(b) plans for a single entity.
8. Proposer must administer at least five (5) 401(a) and 457(b) Plans with each having 1,000 eligible participants.
9. Proposer must administer at least five (5) public sector plans where they administer both the 401(a) and 457(b) plans for a single entity.

10. Any relationships proposed to provide services offered in this RFP must have been in place for at least five (5) years and provide services to similar plans (size and demographics).
11. Proposers must have a Statement on Standards for Attestation Engagement (SSAE) 16 Audit conducted at least annually.
12. Trust/custodial services must have been provided to deferred compensation plans for at least five years (5) and have at least \$5 billion under trust/custody. Trustee services can be provided either through direct services or through a banking arrangement.
13. The contract term will be for 5-years with an option for a 5-year extension. The response to this request for proposal will be incorporated into the contract.
14. Proposer's field service representatives that provide enrollment and education services may not have commission-based compensation or any financial incentives to promote any investment product or service. A salary-based compensation structure is required for all field service representatives allocated to this relationship.
15. Proposers must provide 1099R Forms for all distributions (including beneficiary) as part of the custodial trust services and provide administration services under Section 401(a)(9) required and minimum distributions.
16. Proposers must be able to meet with the City on a quarterly basis.
17. Proposers must be able to maintain and track participant contribution rate changes and report an electronic feedback file with updated information to payroll so that they can in turn update their payroll deduction records.
18. Proposers must be solely liable and responsible for any processing errors of the provider or its agents. In the event of a participant's loss of interest and/or dividend and/or principal due to an error by the selected proposer or its agent in processing transactions on behalf of the participant, the selected proposer agrees to adjust the participant's account to the same position as if the processing error had not occurred.
19. Proposers must provide access, with reasonable notice, to parties authorized by the City for the purpose of performing any audit or reviews that are deemed necessary.
20. Proposers must have the ability to deal directly with approximately 980 total participants, including 608 eligible employees, located throughout the City.
21. The service provider's internet services must include data encryption and a secured method for the Plans' participating employers to submit and receive payroll data as well as allow City staff and Plan auditors the ability to view participant demographic information and Plan activity.

#### **E. Communication**

The proposer's staff must be available for consultation with City staff on an as-needed basis between 8:00 AM and 5:00 PM, ET Monday through Friday.

The proposer will provide phone or email response to the City inquiries within one (1) business day at least 90 percent of the time. The proposer will respond to urgent requests within one (1) business day.

Proposer shall have access to the Internet, electronic mail, and required equipment necessary to communicate with the City, program participants and its customers. This technology shall be available to the proposer to communicate with all necessary parties through the term of this contract. The proposer shall have the ability to transmit all documentation required by the City electronically.

Please complete the attached Certification of Compliance with Minimum Requirements of RFP (Attachment A) attesting to the adherence of these requirements. Any responses not meeting the minimum requirements may be considered, at the sole discretion of the City, as being non-responsive.

## **F. Pre-proposal Vendor Questions**

### **TECHNICAL & CONTRACTUAL QUESTIONS**

Technical and contractual questions pertaining to this RFP must be submitted via email to Jessica Blow, Director of Procurement at [jblow@rockvillemd.gov](mailto:jblow@rockvillemd.gov) no later **than 5:00 p.m., Eastern time on March 18, 2016.**

Oral answers to questions relative to interpretation of specifications or the proposal process will not be binding on the City.

To ensure fair consideration for all proposers, any interpretation made to prospective proposers will be expressed in the form of an addendum to the specifications, if such information is deemed necessary for the preparation of proposals or if the lack of such information would be detrimental to the uninformed proposer. Such addendums, if issued, will be posted at the address listed below:

<http://rockvillemd.gov/bids.aspx#bids>

Please note, that it is the proposer's responsibility to check this site frequently for Addendums, which may impact pricing, this documents requirements, terms and/or conditions. Failure to sign and return an Addendum with your response may result in disqualification of proposal.

## **G. Format of RFP Responses**

Proposers must provide their proposal in the following format:

### **1. Transmittal Letter**

A letter of transmittal shall accompany each proposal. Such letter must be signed by a person authorized to contractually obligate the vendor to the scope, terms, specifications, and pricing contained in the response. This letter should also clearly indicate the name, address, phone number and facsimile number of one contact person for the proposal.

The letter of transmittal should be no longer than two pages and should include the following:

- A. Certification that the proposer meets all of the minimum service qualifications. Reference to completion of certification of compliance with terms and conditions of the RFP. (See Attachment A.)
- B. A brief statement of the services to be provided.
- C. A statement of commitment to provide the services requested within the times and manner specified.
- D. A brief summary of the vendor's qualifications to perform this type of engagement.
- E. A statement confirming that this proposal shall remain valid for six (6) months after the closing date for receipt of proposals.
- F. Certification that the individual signing this proposal has the authority to bind the proposer to the terms and conditions set out in the proposal document.

Name of Company \_\_\_\_\_

Signature \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

## **2. Table of Contents**

The table of contents should include clear and complete identification of the materials submitted by section and page number.

## **3. Format Requirements**

Responses must comply with the following:

- A. All questions in Sections 2 and 3 must be answered in the manner and area stipulated after each question. Each RFP question must be restated before your response. If printed matter is supplied as supplemental information, please make sure that the supplemental information is appropriately marked with the corresponding question to which it applies.
- B. Please respond to every question in each section of the RFP. Failure to respond to all questions may lead to your elimination from consideration.
- C. All questions must be answered in the order asked.
- D. The City will not be bound by oral explanations or instructions given at any time during the request for proposal process or after the award of the contract.

- E. Affidavit Form (Attachment D). Complete and return the enclosed Non-Conviction/Collusion Affidavit Form with your proposal. Failure to complete and return this document may result in the disqualification of your proposal.
- F. Agreement. Provide a statement that the firm, if awarded the contract, shall execute the attached City of Rockville Agreement.
- G. Insurance. Provide a statement that the firm, if awarded the contract, shall meet all of the insurance requirements contained within this bid document (Attachment G).

#### 4. Fee Specifications

Fee quotes should be provided in the format outlined in the Fee section of the questionnaire (Section 3). Pricing offers must be good for six (6) months from the receipt date of the proposal.

#### 5. Submission of RFP Response

Each vendor must submit their RFP response in accordance with all stipulations listed below:

Each service provider must submit a total of seventeen (17) copies by **2:00 p.m. Eastern Time on April 8, 2016 to the City**, as follows:

**Fifteen (15) bound copies, one (1) unbound copy, one (1) unbound redacted copy, plus an electronic copy (USB or thumb drive) to:**

Ms. Jessica Blow  
Director of Procurement, City of Rockville  
111 Maryland Avenue  
Rockville, Maryland 20850  
Email: [jblow@rockvillemd.gov](mailto:jblow@rockvillemd.gov)

Proposals must be clearly labeled: **Request for Proposal #22-16/401(a) Thrift Plan and 457(b) Bundled Deferred Compensation.**

#### **RECEIPT AND HANDLING OF PROPOSALS**

The proposer assumes full responsibility for the timely delivery of the proposal to the designated location. Proposals delivered to any other office or location will not be considered.

In accordance with Chapter 17 of the City's Purchasing Ordinance, competitive sealed proposals are not publicly opened or otherwise handled so as to permit disclosure of the identity of any offeror or the contents of any proposal to competing offerors during the evaluation process. The proposals, except for information identified by the offeror as proprietary, shall be open for public inspection after the contract award.



## 6. Projected Timetable

Asset transfer to the new provider is anticipated to be completed by **December 1, 2016** but is subject to change.

<b>TASK</b>	<b>TARGET DATES</b>
Release of Request for Proposal – RFP	<b>March 1, 2016</b>
Receive pre-proposal questions from provider(s)	<b>March 15, 2016</b>
Provide response to provider(s) proposal questions	<b>March 23, 2016</b>
<b>Deadline for proposal submission</b>	<b>March 31, 2016</b>
Finalists Presentations	<b>Week of May 16, 2016</b>
Commence Plan Implementation	<b>Week of July 4, 2016</b>
Asset Transfer	<b>December 1, 2016</b>

## 7. Due Diligence

The City shall have the right to inspect any facility or project site where the services performed under the resultant contract are carried out. The City may monitor the performance of the selected service provider on a frequency of its choosing to ensure compliance with all of the requirements of the contract. The selected service provider agrees to the checks, processes or oversight the City believes is necessary.

## H. Evaluation of Proposals

The Board has designated an evaluation committee to evaluate proposals and has retained the services of an outside consultant to assist in the review of the proposals for completeness and responsiveness to the RFP. The evaluation committee, consisting of City staff and members of the Board, with the assistance of the consultant, will first examine proposals to eliminate those that are non-responsive to the stated minimum requirements. Therefore, proposers should exercise particular care in reviewing the proposal format required for this RFP.

The City reserves the right to contact any and all references to obtain, without limitation, information regarding a proposer's performance on previous projects. A sample of references will be checked for each proposer.

### 1. Evaluation and Award

The evaluation of the proposals will be based on the following criteria and will be evaluated based on the information provided in response to sections 2 (Administrative Services Questionnaire) and 3 (Fees) of this Request for Proposal. The Evaluation Committee will evaluate the proposals and may also ask questions of a clarifying nature from proposers, as required. The ability to meet the requirements for services is the prime consideration factor. Each evaluation committee member will complete a proposal evaluation matrix form for each proposal submission received. A composite rating will be developed which indicates the group's collective ranking of the highest rated proposals. Based on the collective ranking of the highest rated proposals, the evaluation committee will develop a short list of the three (3) highest ranked proposers. As a result, short listed proposers may be afforded the opportunity for oral presentations and demonstrations to the Board.

<u>Evaluation Criteria</u>	<u>Weight</u>
a. Plan Implementation.....	5
b. Recordkeeping and Administrative Services.....	20
c. Custodial Trustee/Investment Management.....	15
d. Employee Communication/Education and Participant Services...	20
e. Employer Education.....	5
f. Investment Advisory Services.....	5
g. Fees.....	30
Total Points.....	100

The Evaluation Committee and the Board may afford one or more of the top three (3) ranked offerors an opportunity to make oral presentations and demonstrations of technical services in order to clarify their proposals. If requested, oral presentations and demonstrations shall be made at no cost to the City.

The board, based upon the recommendation of the evaluation committee and thorough oral presentation and demonstration of the short listed firms, will make the final selection for negotiations.

When selected for negotiations, it is expected that the selected proposer will bring to the meeting those people who will work directly with the City.

At the conclusion of negotiations, the proposer(s) may be asked to submit in writing, a Best and Final Offer (BAFO). After the BAFO is submitted, no further negotiations shall be conducted with the proposer(s).

***Note: Proposers are discouraged from submitting inflated pricing in their original response in anticipation of price negotiation and the use of a BAFO process. The BAFO process may or may not be used, or may be used on a case-by-case basis to negotiate services, deliverables, pricing terms conditions, etc. with individual respondents. Placing inflated pricing in your original response may produce a low scoring result, which prevents your proposal from reaching the negotiation stage of the evaluation process.***

The City of Rockville reserves the right to reject any and all proposals and to accept the proposal(s) the City considers most advantageous. All proposals will become the property of the City.

The Mayor and Council will make the final decision of award based on the recommendations of the City of Rockville Retirement Board, and endorsement of any other governmental bodies if necessary. The final award will be subject to the execution of a service contract acceptable to the City.

The City of Rockville reserves the right to make multiple awards as best serves the interests of the City. The City may also pick and choose amongst all services offered in any manner that best serves the interests of the City.

The City may cancel this Request for Proposal or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous.

## **2. Working Relationship**

The successful proposer will be expected to work closely with the City and its consultants to identify cost-savings and improvements to the Plan. As stated, from the date this RFP is issued until the award of the contract, NO communication related to this RFP with elected officials of the City of Rockville, Board Members, or other City personnel is permitted except as may be authorized by the Designated Authorized Plan Contact. This RFP and the selected proposer's RFP response including exhibits and any addenda, will be incorporated into the final contract document.

**Exceptions/Additions**

Any language which differs from this RFP that is used or suggested by a proposer will be submitted for clarification only, and shall not affect the proposer's acceptance of the terms and conditions of this RFP and shall not be binding on the City unless affirmatively accepted by the City in writing. The City assumes no obligation to accept, reject, or negotiate proposed replacement terms or conditions with the successful proposer.

Proposers will be required to sign a statement, as part of the proposal, that they are in agreement with all of the terms and conditions presented in the RFP, the exhibits, and the addendum to the RFP. (Transmittal Letter)

The proposer is responsible for clarifying any ambiguity, conflict, discrepancy, omission, or other error in the Request for Proposal before submitting the proposal; otherwise the right to raise such issues shall be waived.

**3. References**

- a. Please provide references for three current 401(a) and three current 457(b) public sector clients that have similar plan demographics (i.e., size and plan design). If available, at least one of each of the three should have converted within the last year. For each reference, please provide client name, contact name, address, phone number, services provided, and year they became a client.
- b. Please provide references for three former 401(a) and three former 457(b) public sector clients who had similar plan demographics (i.e., size and plan design). At least one of the three should have left within the last year. Please provide former client name, contact name, address, phone number, services provided, year they ceased to be a client and the reason(s).
- c. Please provide references for two former and current public sector clients where you provided record keeping services for both their 401(a) and 457(b) Plans with similar plan demographics (i.e., size and plan design). Please provide client name, contact name, address, phone number, services provided, year they ceased to be a client and the reason(s).

**SECTION 2**

**Request for Proposal**

**Administrative Services**  
**Questionnaire**

## **A. Plan Implementation**

1. Explain your implementation/conversion process including timeframe, based upon a **December 1, 2016** with an “in-kind” transfer method, which will not require an initial re-enrollment.
2. By what date would you need authority to proceed to accommodate a December 1, 2016 asset and recordkeeping transfer?
3. What involvement will be required from the City during the implementation process?
4. Is the transition team different from the ongoing service team? If yes, briefly describe the team’s experience with 401(a) and 457(b) conversions.
5. Provide short biographies of the team including their tenure.
6. Do you have any limitations as to the format/media of participant data?
7. How do you ensure data integrity and reconciliation of data? Briefly describe the processes utilized.
8. How are investments handled during the conversion process?
9. How are distributions handled to accommodate the continuity of payments to retirees during the conversion period?
10. Describe your procedures during the conversion period to communicate with non-active employees (*i.e.* retirees and terminated employees with balances or vested benefits in the Plan).
11. What assurances/guarantees do you provide with respect to a timely implementation?
12. What is the standard length of your blackout period?
13. Identify comparable plan conversions in which you have been involved. How many conversions and implementations has your company conducted during the past three years involving 1,000 employees or more?
14. Provide two references for the transition team for conversions that went well and two for those that experienced issues or where the implementation was delayed.

## **B. Recordkeeping and Administrative Services**

### **Organization and History**

1. Proposer Information: Provide a brief overview of your organization. The narrative shall include the following:
  - a. date established;
  - b. ownership (public, partnership, subsidiary, etc.);
  - c. years active in the deferred compensation/defined contribution market;

- d. years active in the 401(a) market;
- e. years active in the 457(b) market; and
- f. relationships with other entities relevant to or related to the subject matter of this RFP.

2. Provide the following information:

- a. Total assets under management
  - b. Total 401(a) assets under management
  - c. Total 457(b) assets under management
  - d. Total public 401(a) assets under management
  - e. Total public 457(b) assets under management
3. How many proposals have you submitted in the last three years in response to 401(a) RFP's? How many for 457(b) plans?
4. What are your client retention statistics for each of the last three years? For those who left, what percentage left due to issues pertaining to services provided by your organization?
5. How many 401(a) plans have you lost in the last three years broken out by year? How many have you gained broken out by year?
6. How many 457(b) plans have you lost in the last three years broken out by year? How many have you gained broken out by year?
7. What is the average client relationship duration? What is the average relationship duration for your public sector plans?
8. Provide a representative list of three, similar public sector 401(a) clients for whom you provide administrative services.

Client Names	Total Participants	Total Assets	Length of Relationship

9. Provide a representative list of three, similar public sector 457(b) clients for whom you provide administrative services.

Client Names	Total Participants	Total Assets	Length of Relationship

10. List the number and total assets of the 401(a) plans that you currently administer in the following categories:

	Plans		Assets	
Number of Participants	Number	Percent	Amount	Percent
<b>Under 500</b>				
<b>501 – 1,000</b>				
<b>1,001 – 5,000</b>				
<b>5,001 +</b>				
<b>Total</b>				

11. List the number and total assets of the 457(b) plans that you currently administer in the following categories:

	Plans		Assets	
Number of Participants	Number	Percent	Amount	Percent
<b>Under 500</b>				
<b>501 – 1,000</b>				
<b>1,001 – 5,000</b>				
<b>5,001 +</b>				
<b>Total</b>				

12. What is the total number of participants in all public sector defined contribution plans currently being administered by your organization? How many 401(a) participants? How many public 457(b)?
13. Describe your errors/omissions liability insurance and coverage. Describe the various types of insurance coverage and indemnification provided to protect clients.
14. Has your company, or any affiliates, been a party to any litigation during the last three years involving your recordkeeping and administration services? If yes, please provide: 1) the nature of the claim or action 2) the current status of the litigation and 3) any fines or settlements paid.
15. What is the last date when your organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the recordkeeping division?
16. Describe any pending or anticipated plans to re-organize your company within itself or as part of the larger organization of which your company is a part.



17. Do you measure the profitability of each plan individually or the business unit as a whole?

**Client Service/Quality Assurance**

1. How many of your employees work on defined contribution plans? How many specifically work on 401(a) and/or 457(b) plans? Provide a breakdown of the number of full-time equivalent employees working on deferred compensation plans as indicated in the chart below:

Personnel Type	Number
Management	
Call Center Mgmt/Supervisors	
Customer Service Reps	
Field Reps	
Systems Management	
Systems Staff: Development & Operating/Maintenance	
Website	
Other	

2. What is the average tenure (in years) of the following positions:
- Plan Administrator
  - Client Relationship Manager
  - Field Service Representatives
  - Conversion Project Manager
  - 800 Customer Service Center Representatives
3. Do you currently have staff located in Rockville? If yes, where is your office located? If no, where is the closest office?
4. Please describe the team that would deal directly with the City on an ongoing basis. Indicate staff size, experience and turnover rates. In addition, provide a brief resume for each individual.
5. Will the City have a single point of contact for all issues? If yes, who will that be?
6. What location would provide services described in this RFP?
7. Will you need to hire any additional staff in order to service this account?
8. Briefly describe the training program and licensing requirements for your field service representatives. What are the licensing requirements?

9. Briefly describe the training program and licensing requirements for your 800 customer service representatives. What are the licensing requirements?
10. Describe your service standards and turnaround time for the completion of the following:

Transaction	Turnaround Time	Penalty (\$) for Not Meeting Standard
Issuance of quarterly defined contribution Participant Statements		
Transaction Confirmation Statements		
Hard Copy Plan Level Administrative Reports (hard copies)		
Processing Payroll Contributions		
Termination/Rollovers/Direct Transfers for Distribution		
Retirement Benefit Calculations/Estimates		
Fund Balance Transfers		
Investment Election Requests		
Contribution Percentage Elections/ Changes		
QDRO Processing		

11. How frequently do you conduct client and participant satisfaction surveys of your services and performance?
12. When was the date of your last client/participant satisfaction survey? Describe the results.
13. Is the survey conducted by an independent entity?
14. What corrective measures or action steps do you perform to address client and participants who are not satisfied with your service performance?

#### **Recordkeeping/Administration**

1. What portion of your organization's expenses is related to recordkeeping and system technology development?
2. Provide copies of your administrative forms used by the plan participants to request transactions. Briefly describe the level of customization for the City's needs.
3. Are you able to accommodate web-based uploads and downloads for data transmission?
4. Can you accept manual edits, adjustments, and indicative data changes to the contribution input file? (Yes/No)
5. Can you handle negative data from the payroll files? (Yes/No)

6. Describe how your payroll contribution reports identify participants contributing up to the current maximum contribution and identify participants in catch-up status?
7. Describe your system capabilities to process systematic payment distributions. Is payment made on a pro rata basis? Can a participant elect systematic payment from specific fund(s)?
8. Describe your process for searching for participants who have not cashed their distribution payment checks.
9. Are you able to fully process and approve QDROs with the attorneys representing the parties? (Yes/No). Do you outsource this service or is it done internally? Be specific about any role the City will play.
10. Do you impose limits on any participant initiated transactions (ie: mix changes, contribution rate changes, etc.)? If yes, what?
11. Describe the process you use to track and maintain employee beneficiary data. How is beneficiary information typically submitted?
12. Where/how are participants able to verify their current beneficiary?
13. How much historical plan information do you maintain on participants? List the type of information available. How much information is immediately available?
14. How long would it take to make a fund change?
15. Would there be a cost to change funds?

#### **System Capabilities and Hardware**

1. What system do you use to recordkeep and administer deferred compensation plans? Do you have different systems for 401(a) and 457(b) plans? (Yes/No)
2. Was the software developed internally, leased, or purchased from another provider? Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?
3. How long have you used these systems for recordkeeping?
4. Are you planning any major change in the software or hardware supporting your recordkeeping system in the next 24 months? If yes, please describe.
5. Describe your documented disaster recovery plan. How often do you test your recovery system?
6. Where is your main data processing center located?
7. Where is your back-up center located?
8. How often is data backed-up?

- a. Describe any system outages within the last three years and how have they been handled?
  - b. Has any liability resulted from these outages and are there any pending claims related to these outages?
9. Describe in detail your procedures and safeguards used to guarantee:
  - a. Security for your hardware and facility
  - b. Authorized access to data
  - c. Confidentiality of data
  - d. Security for any hard copy of plan-related data or documents
10. Provide a current SSAE16 audit of your recordkeeping system, or any other audit you have performed. Who completes the audit and how frequently?
11. Do you also conduct a SOC-2 IT audit? If so, who completes the audit and how frequently?

#### **Regulatory/Compliance Service**

1. Briefly describe your ability to provide compliance testing for the Plan and how you address any tests that fail.
2. Describe how you monitor §401(a) (9) required minimum distributions including:
  - a. Identification of individuals
  - b. Determination of the amount of the minimum required payment
  - c. Payment within required deadlines.
  - d. Annual updates for those in pay status.
3. Describe your capabilities and timeframes for monitoring maximum deferral limits.
4. As part of your service, do you provide an annual benefits file, containing financial and non-financial data by participant? (Yes/No)
5. What resources do you have to obtain legal opinions, interpretations of laws, regulations, and other matters on issues pertaining to DC plans?
6. Please acknowledge and describe in detail your fiduciary responsibility with respect to the Plans.
7. How do you ensure that your recordkeeping system is in compliance with all applicable rules and regulations?
8. How quickly are changes in the law reflected in the system?

9. Should the City wish to comply with 408(b)(2) and 404(a)(5) regulations, will you provide 408(b)(2) disclosures to the City and 404(a)(5) disclosures to participants? (Yes/No) If yes, is there an additional cost?
10. If the City wanted a detailed review conducted of your administration processing over a specific period, would you allow on-site access to the reviewing third-party to interview your staff members who perform the administration?

### **C. Custodial Trustee/Investment Management**

#### **Custodial Trustee**

1. For the custody/trustee services you propose, what is the name of the trust company, the total number of years that they have been in operation, and the assets under custody as of December 31, 2015?
2. What are the total public sector DC assets currently under custody?
3. Are there any restrictions by investment type that pertain to your custodial services? (Yes/No) If yes, what?
4. Confirm that you will trustee outside investment funds.
5. Please fully describe your check distribution process including frequency. Are you able to rush off-cycle checks for special situations? If so, are there additional fees for such rush service?
6. Do you have a limit on the number of checks/wires available to participants who rollover their distributions or take installments?
7. Do you have an electronic link with the investment managers for updating participants' accounts on the recordkeeping system? Briefly explain your daily updating process.
8. Will the City be required to execute a custodial agreement with your custodial trustee or will the custodial trustee services be part of the contract with the City?

#### **Investment Management Services**

1. Provide the number of outside fund family alliances with which you have relationships.
2. Identify any opportunity related to the design of your proposed Stable Value Fund to improve or enhance the credit rate.
3. Fund Performance:
  - a. If the Plan is not satisfied with the performance of a particular fund, what are the steps needed to make a change?
  - b. How long would it take to make such a change?
  - c. Please confirm that there would be no cost to change funds.

4. Describe the administrative, financial, and any other impact on the plan sponsor and the participants when a manager or fund offered to those participants ceases to be offered through your organization.
5. Do you offer a customized target date solution that utilizes the underlying core investment options?
  - a. Are these funds risk based and age based?
  - b. Are there limitations to how many underlying funds can be included?
  - c. How often is the allocation evaluated and rebalanced?
  - d. Describe the process of adding new funds.
  - e. Is there an additional fee for this service?
  - f. What has been the average participation rate amongst your plans?
6. Are you able to recordkeep a customized target date solution using the underlying core line up if provided the glide path and rebalancing guidelines? (Yes/No) What would be the associated cost if any? Is the charge for the whole target date suite or per option?
7. For any funds managed in-house:
  - a. Describe your research capabilities, including the number of research professionals you employ.
  - b. Indicate to what extent you rely on research information obtained from outside sources. List your sources and volume of business. How do you pay for these services?

### **Stable Value**

1. List the stable value products available on your platform.
2. Provide your most recent ratings from A.M. Best, Moody's and S&P.
3. What stable value product are you proposing for the City and why?
4. For the proposed product, does old money receive the same rate as new? If not, describe.
5. Complete the following charts for the proposed product as of December 31, 2015:

<b>Manager</b>	
<b>Vehicle</b>	
<b>Fund Name</b>	
<b>Class</b>	
<b>Fund Inception</b>	
<b>Fund Assets (\$B)</b>	

<b>Total Firm Stable Value Assets (\$B)</b>	
<b>Effective Duration</b>	
<b>Market-to-Book Value Ratio</b>	
<b>Gross Crediting Rate *</b>	
<b>Net Crediting Rate *</b>	
<b>Crediting Rate Reset Frequency</b>	
<b>Minimum Crediting Rate</b>	
<b>Recommended Benchmark</b>	
<b>Benchmark for Underlying Portfolio</b>	
<b>Expense Ratio</b>	
<b>Trustee</b>	

\* Gross of investment management fees, net of wrap fees, sub-advisory fees and other expenses

### **Book Value Structure**

	<i>% allocation</i>
Liquidity Buffer	
Wrap Providers <i>Please list wrap providers below</i>	
<b>Total</b>	<b>100%</b>

6. Is wrap capacity contingent on affiliated investment management? (Yes/No)

<b><u>Fees</u></b>	
Investment Management	
Wrap	
Revenue Share	
Other	
<b>Total Expense Ratio</b>	

\* Specify Other

7. Do you anticipate any changes in wrap fees that would impact the total expense ratio? (Yes/No) If yes, what is the expected impact?

<b><u>Quality Allocation</u></b>	<b><u>%</u></b>
Cash/cash equivalents	
AAA	
AA	
A	
BBB	
Below Inv Grade	
NR	
<b><u>Sector Allocation</u></b>	<b><u>%</u></b>
Cash/cash equivalents	
U.S. Treasury	
U.S. Govt-Related	
Corporate	
Agency MBS	
Non-agency MBS	
ABS	
CMBS	
Municipal	
Other	

8. Fully describe the withdrawal/transfer restrictions for both the Plan and participants.
9. Provide returns as of December 31, 2015 for the proposed product:

<b><u>Trailing Returns</u></b>	<b><u>3-Mo.</u></b>	<b><u>YTD</u></b>	<b><u>1-Yr</u></b>	<b><u>3-Yr</u></b>	<b><u>5-Yr</u></b>	<b><u>7-Yr</u></b>	<b><u>10-Yr</u></b>	<b><u>Inception</u></b>
Product								
Benchmark								
<b><u>Annual Returns</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
Product								
Benchmark								

\* Returns should be gross of investment management fees; net of wrap/subadvisor/other

\* Periods greater than 1-year should be annualized

#### **D. Employee Communication/Education and Participant Services**

##### **Communication and Education**

1. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). Be sure to identify the



key elements provided as part of a standard communication and education program package.

2. Provide samples of initial enrollment and on-going communication and education materials.
3. Describe the services you offer in the enrollment process. Please be sure to include such items as monitoring and tracking new hires. Outline any data requirements. Will you maintain and control the inventory of all related enrollment materials that are to be included in the enrollment kits?
4. How are participants able to enroll?
5. Describe the communication and education process that you provide for non-active participants (i.e. retirees and terminated employees with assets in the Plan).
6. Will you provide participants with onsite, group education and retirement planning sessions or financial/pre-retirement seminars on an on-going basis? (Yes/No). If yes, please list the titles of the subjects that are covered in your program. No description necessary.
7. Do you provide information to Plan participants regarding options on distributions? Describe any services or programs you provide for participants leaving the Plans.
8. Describe the City's role in the communication, education and enrollment process.
9. To what extent can the City customize communication and investment education materials (e.g., plan name, logos)? Please state if there would be additional charges for customizing or editing these communication materials.
10. Briefly describe how you measure the effectiveness, other than surveys, of your communication/education programs?
11. Are you willing to provide customized surveys to assess the success of the education program? (Yes/No).

#### **Participant Reporting**

1. Describe your standard participant statements and documents (provide samples for both 401(a) and 457(b) plans).
2. Are there any differences between your hard copy statements and the statements available online? (Yes/No) If yes, briefly describe the differences.
3. What time periods are illustrated for a participant's personalized rate-of-return?
4. Is beneficiary information available on your standard statement? (Yes/No)

5. Describe your customization capabilities for branding participant statements. Are these applied to both hard copy and electronic statements? (Yes/No)
6. Are participants able to additionally customize the statements they receive (hard copy or electronic)? (Yes/No)
7. Are you able to provide a combined 401(a) and 457(b) statement? (Yes/No)
8. Can defined benefit information be included on statements? (Yes/No) If yes, what information is needed?
9. How much space is there for customized messages from the City on your quarterly participant statement? Is this included on both hard copy and electronic statements? (Yes/No) Is there an additional cost?
10. Can you include other printed information, prepared by the City, with the mailing of statements to participants? (Yes/No) Is this included on both hard copy and electronic statements? (Yes/No) If so, please verify that this service is available at no additional cost.
11. Can statements be provided to participants on an on-demand basis?
12. How soon after period-end are the statements available?
13. Are fees disclosed to plan participants on the quarterly statements? (Yes/No) Do they comply with 404(a)(5)? (Yes/No) What additional fee disclosure, if any, do you provide?

**Participant Services/Automated Voice Response System (VRS)**

1. Provide a phone number and instructions on how to access a demonstration of your automated VRS capabilities for the participant.
2. Describe the services available through your automated VRS.
3. Are there any transactions that cannot be processed through the voice response system (i.e., PIN changes, address changes, etc.)?
4. How quickly is the VRS updated after transactions are performed?
5. Is the VRS fully capable of generating all the necessary administrative forms to handle enrollments, terminations and beneficiary distribution requests?
6. In the situation whereby a participant calls the VRS but does not properly complete the transaction, is there any follow-up with the participant? (Yes/No)
7. Can participants request contribution deduction changes through the VRS? (Yes/No) Can you provide a feedback report back to the City and each local subdivision to update their payroll records and contribution changes? (Yes/No) How frequently?

8. Does your VRS accommodate non-English speaking participants? What languages?
9. Does it accommodate the hearing/speech impaired participants?
10. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
11. Describe any security breaches that resulted in improper access to one or more participant's accounts within the last three years.

**Participant Services/1-800 Customer Service Center**

1. What are the standard hours of operation of your customer service center?
2. Where is your customer service center located?
3. Where is your back-up customer service center?
4. List the types of information customer service representatives (CSRs) will be able to provide to the participants.
5. Are there any transactions that cannot be processed through the customer service center?
6. Can employees enroll in the Plan or request benefit calculations through the customer service center?
7. Can participants change their PIN through a CSR? Can PINs be reset and immediately provided to a participant during the call? Can participants who misplace their PIN call the customer service center and have a new PIN sent directly to their home address?
8. Provide the following information on your customer service reps:
  - a. Provide the following information on your customer service reps:
  - b. Licensing requirements in addition to your training program
  - c. Relationship: employees or outside contractors
    - i. If contractors or a combination, include the percentage of each & duration of subcontractor agreement
  - d. Average tenure
  - e. Total CSR agents employed year-round basis
  - f. Compensation structure
9. Do you dedicate CSR's to specific accounts? (Yes/No) If yes, how many would be dedicated to the City?

10. Provide the information below on your service center standards:

	<b>Performance Standard</b>	<b>4th quarter 2015</b>	<b>3rd quarter 2015</b>	<b>2nd quarter 2015</b>
Number of calls				
Average length				
Average response time				
Percentage requiring follow-up				
Abandonment rate				
Percentage handled 100% via VRS versus 1-800				

### **Participant Services/Internet Services**

1. Provide an Internet address and instructions on how to access a demonstration of your Internet capabilities for both the participant and plan sponsor.
2. Describe your participant website capabilities.
3. List all transactions that can be completed via your website.
4. Specify any transactions that cannot be completed via your website.
5. Do you have a mobile app or mobile optimized website? (Yes/No) Are the limitations to the functionality versus the full site? (Yes/No) If yes, what?
6. Does your website include the capability to add/change beneficiary information?
7. What communication materials or tools do you offer the Plan participant via the Internet?
8. Do you offer an automated enrollment process through the Internet? (Yes/No)
9. Can participants e-mail account specific questions via the Internet site? If yes, who receives the e-mail, researches the issue, and responds? What is the turnaround time?
10. Does your Internet site have the ability to download participant account information software programs (i.e. Microsoft Money, Quicken, etc.)?
11. Describe the security through which a participant passes to use your Internet system. What firewalls do you have in place for your Internet services?
12. What improvements to your Internet capabilities are designated to occur in the next two to three years?

13. Are the same improvements being made to your mobile capabilities? (Yes/No) If no, briefly describe what is being done to enhance your mobile capabilities.
14. Describe any online capabilities that your system provides for plan sponsor access.

### **Field Service Representatives**

1. How many field service representatives are you dedicating to the City? Will they be 100% full-time dedicated representatives? Where will they be located in the City? Describe how you will allocate the field representatives to the City?
2. Provide your rationale for determining the appropriate staffing for the Plan.
3. Describe the structure of how the field service representatives would be organized to service this relationship:
  - a. Location
  - b. Staffing (including functions to be performed)
  - c. Standard hours of operation
  - d. How you would handle pre-scheduled consultations?
  - e. How you would handle walk-ins?
4. What is your annual cost associated for each dedicated service representative?
5. Briefly describe the credentials and related experience of local service representatives who will be assigned to the Plan's account.
6. If the representative are responsible for additional accounts, how many?
7. Will the representatives assigned to the Plan be employees of your firm?
8. Detail the compensation structure for the local representative (e.g. 85% salary, 15% bonus). Include an explanation of how any bonuses and incentives are determined. As indicated in the minimum service qualifications in Section 1, it is a requirement that your field service representatives that provide enrollment and education services are not compensated on a commissioned or incentive basis to promote any investment product or services.
9. Are field service representatives available to discuss the plan and investments with participants on a one-on-one basis? If so, how often? Will you provide local annual account reviews for participants?
10. How will these discussions be handled (e.g., in person, via telephone)?
11. Identify the annual number of group meetings and number of one-on-one consultations you have assumed will be provided by the field service representatives.

**E. Employer Education****Staff Training**

1. Provide a list of topics typically covered in training/education to City staff. Is material customized to City specific issues?
2. Would there be a dedicated trainer for City staff?

**Plan Sponsor Reporting**

1. Describe the standard reporting package that you would provide the City (provide samples).
2. Will the City be able to generate these reports and other reports on-line?
3. What is the standard timeframe for providing each plan sponsor report after the reporting period ends?
4. List the types of demographic participant data will you be able to provide?
5. Describe your flexibility to produce ad-hoc plan level reports.

**F. Investment Advisory Services**

1. Describe the investment advisory services (i.e., Morningstar ClearFuture, Financial Engines, etc.).
2. Describe your due diligence process for selecting the partner and what services are provided.
3. What are the costs associated with the advisory services? Is it based on total plan level or only charged to participants who elect these services?
4. Does your service produce asset allocation recommendations? (Yes/No)
5. Does it provide recommendations of specific funds? (Yes/No)
6. Does your investment advisory service include savings rate recommendations? (Yes/No)
7. Does your investment advisory service take into account a participant's assets outside the Plans? If so, please list what assets.
8. Describe the generally accepted investment theories that form the basis for your advice model.
9. By offering investment advisory services, either through your proprietary or third party provider, you will agree to indemnify the City per contract requirements.

- a. What is disclosed to participants regarding your role as a fiduciary?
  - b. Describe the type and level of indemnification your organization is willing to provide to the City.
10. What is disclosed to participants regarding your fiduciary role and the provider's fiduciary role with respect to these investment advisory services?
11. How many of your existing public sector clients have subscribed for this service?
12. Do you provide "managed account" services that enable a participant to pay a fee for your firm or partner firm to provide discretionary management of investment decisions for that participant? (Yes/No) If yes, please explain. How long have you partnered with the managed account vendor?
13. Do you offer specific investment advice to participants on an in-person basis other than through the on-line advice provider? (Yes/No) If yes, briefly describe.
14. Will the City be required to execute a separate contract with your investment advisory provider or it be part of your service contract and agreements? If a separate contract is required, please provide a sample.

# **SECTION 3**

## **Request for Proposal**

### **Fees**



**G. Fees**

1. What are the start-up/implementation costs and plan termination costs?
2. As described in the minimum qualification requirements, fees are to be guaranteed for a period of 5 years, subject to future price reductions based on increased asset size. The City expects favorable fee renegotiations as the Plan assets increase during the contract period. How frequently will this be addressed and implemented?
3. What are the factors you consider in determining future fee decreases and when they are to occur?
4. How are fees adjusted if a sizable number of participants are added or removed from the Plans?
5. What is the total estimated revenue that you would expect to receive from the stable value fund?
6. Are you able to return revenue directly to participant accounts from which it was generated? If no, are you working on this capability?
7. Briefly describe any additional fee leveling capabilities. What different arrangements are available?

**Fee Schedule  
Initial Five Years  
Proprietary Stable Value**

**Vendor Name:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**Please provide pricing for the following three scenarios:**

**1. Selected for the 401(a) & 457(b) Plans:**

401(a) & 457(b)	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

**2. Selected for the 401(a) Plan only:**

401(a) Plan Only	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

**3. Selected for the 457(b) Plan only:**

457(b) Plan Only	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

\* Should not include any ongoing reimbursement or credit allowances in your required fee.

## Fee Schedule Five Year Extension Proprietary Stable Value

**Vendor Name:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**Please provide pricing for the following three scenarios:**

**1. Selected for the 401(a) & 457(b) Plans:**

401(a) & 457(b)	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

**2. Selected for the 401(a) Plan only:**

401(a) Plan Only	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

**3. Selected for the 457(b) Plan only:**

457(b) Plan Only	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

\* Should not include any ongoing reimbursement or credit allowances in your required fee.

\* Fees provided are for estimate purposes only and will be subject to negotiation at the end of the initial five year term.

**Fee Schedule  
Initial Five Years  
Third Party Stable Value**

**Vendor Name:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**Please provide pricing for the following three scenarios:**

**1. Selected for the 401(a) & 457(b) Plans:**

401(a) & 457(b)	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

**2. Selected for the 401(a) Plan only:**

401(a) Plan Only	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

**3. Selected for the 457(b) Plan only:**

457(b) Plan Only	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

\* Should not include any ongoing reimbursement or credit allowances in your required fee.

## Fee Schedule Five Year Extension Third Party Stable Value

**Vendor Name:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**Please provide pricing for the following three scenarios:**

**1. Selected for the 401(a) & 457(b) Plans:**

401(a) & 457(b)	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

**2. Selected for the 401(a) Plan only:**

401(a) Plan Only	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

**3. Selected for the 457(b) Plan only:**

457(b) Plan Only	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		
<b>Total fee for all services described in the RFP in dollars per participant (based on all assets)</b>		

\* Should not include any ongoing reimbursement or credit allowances in your required fee.

\* Fees provided are for estimate purposes only and will be subject to negotiation at the end of the initial five year term.

## Additional Fees

### Plan Level

Services	Fee	Comments
Plan Set-up/Installation (one-time fee)		
Investment advisory services		
Managed accounts		
Plan documents (outside of prototype)		
5500 services		
Check processing		
1099-R forms		
Postage		
Custom website set-up		
Custom website ongoing		
Employee communication & education:		
Customized enrollment materials		
Customized periodic newsletter		
Customized communications		
Annual notifications to eligible participants		
Other (be specific)		

### Participant Level

Services	Fee	Comments
Investment advisory services		
Managed accounts		
Hardship Qualifications		
DRO Qualifications		
Wire Fees		
Other (be specific)		

# **SECTION 4**

## **Attachments**

**Attachment A****City of Rockville  
Pension Plan****CERTIFICATION OF COMPLIANCE WITH  
MINIMUM QUALIFICATIONS OF RFP**

I have read, understand and agree to comply with the minimum requirements specified in this Request for Proposal. Checking "YES" indicates acceptance, while checking "NO" denotes non-acceptance and should be detailed below. Any exceptions **MUST** be documented.

YES \_\_\_\_\_ NO \_\_\_\_\_ SIGNATURE \_\_\_\_\_

EXCEPTIONS: Attach additional sheets if necessary. Please use this format.

**Exceptions Summary Form**

<b>MINIMUM REQUIREMENT NUMBER</b>	<b>EXPLANATION OF NON-ACCEPTANCE</b>



**(Attachment B)**  
**401(a) Plan Provisions**

<b>Plan Name:</b>	<b>City of Rockville</b>	
<b>Plan Type:</b>	<b>Defined Contribution Plan</b>	
<b>Plan Sponsor:</b>	City of Rockville 111 Maryland Avenue Rockville, Maryland 20850	
<b>Plan Year:</b>	July 1 through June 30	
<b>Eligibility:</b>	Eligible to join the Plan if you make the mandatory contribution requirement and: <ul style="list-style-type: none"> <li>• Are an administrative personnel hired on or after 4/15/1986</li> <li>• Are a union employee hired on or after 12/2/1986</li> </ul> Eligible to enter the Plan on the first day of employment	
<b>Eligible Employees:</b>	There are <b>598</b> eligible employees	
<b>Employment Locations:</b>	111 Maryland Avenue Rockville, Maryland 20850	14645 Rothgeb Drive Rockville, Maryland 20850
<b>Definition of Compensation:</b>	Base pay including longevity pay	
<b>Thrift Plan Contribution Types:</b>		
<b>Employee Pre-Tax:</b>	1-5% of compensation	
<b>Employer Match</b>	50% of the pre-tax contribution amount	
<b>Number of Payrolls:</b>	<b>26</b>	
<b>Payroll Frequency:</b>	<b>Bi-weekly</b>	
<b>Vesting:</b>	Employee contributions: 100% vested  Employer contributions: 100% with 3 years credited service	
<b>Benefit Payment Events:</b>	Normal or early retirement as defined by Plans Death Disability Termination of employment Must cease employment to receive this benefit	
<b>Loans:</b>	Not Available	

**401(a) Plan Demographics**

1. Frequency of contributions (weekly/bi-weekly/monthly)	Bi-weekly
2. Medium used to remit contributions files (electronic, disk, magnet tape, etc.)	Electronic
3. Funding method (check, wire, ACH)	Auto ACH
4. Number of payroll locations	1
5. Number of payroll files	1

<b>Participation Breakdown</b>			
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Total Active	472	463	466
Actively Contributing	465	439	455
Total Accounts	598	565	555

<b>Total Plan Cash Flow</b>			
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Contributions	\$1,903,995	\$1,832,790	\$1,796,879
Withdrawals	\$1,387,695	\$1,565,442	\$1,080,389
<b>Net Cash Flow</b>	<b>\$516,300</b>	<b>\$267,348</b>	<b>\$716,490</b>

<b>Stable Value Cash Flow</b>			
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Contributions	\$412,957	\$433,727	\$462,648
Withdrawals	\$568,771	\$246,950	\$310,591
<b>Net Cash Flow</b>	<b>-\$155,814</b>	<b>\$186,777</b>	<b>\$152,057</b>

<b>Stable Value Participant Participation</b>			
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Under age 25	34.90%	31.70%	33.20%
Age 25 - 34	13.30%	12.10%	15.60%
Age 35-44	12.90%	13.90%	16.10%
Age 45-54	20.10%	20.10%	21.10%
Age 55-64	30.30%	33.00%	30.90%
Age 65+	35.90%	40.80%	39.90%
Age 71 - 80			
Age 80+			
		<b>2015</b>	
Number of eligible employees		472	
Number of participants active and contributing		465	
Number of participants active, not contributing		7	
Number of terminated participants w/balances		133	

Number of terminated participants w/balances less than \$5,000	54
Number of participants suspended due to hardship	0
Total account balances - participants active and contributing	\$22,212,899
Total account balances - terminated participants w/balances	\$4,321,736
Total account balances - suspended due to hardship	0
Total account balances – participants with loans	0
Average account balance	44,447
Participation rate	79%

\* Prudential does not track deferral rates so this number represents all active participants that have an account balance.

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Number of new participants	0	0	0
Number of new loans	N/A	N/A	N/A
Number of outstanding loans	N/A	N/A	N/A
Number of hardship withdrawals	N/A	N/A	N/A
Number of in-service withdrawals not due to financial hardship	N/A	N/A	NA
Number of lump sum distributions	51	42	42
Number of recordkeeper IRAs opened	0	0	0
Number of minimum required distributions	4	6	2
Number of QDROs	0	0	1
Number of rollovers <u>into</u> the plan	N/A	N/A	N/A

### Contributions/cash-in

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Employee Pre-tax (excluding catch-up contributions)*	\$1,269,399	\$1,220,956	\$1,197,990
Age 50 catch-up	N/A	N/A	N/A
3-year catch-up	N/A	N/A	N/A
15-year catch-up	N/A	N/A	N/A
Roth	N/A	N/A	N/A
After-Tax	N/A	N/A	N/A
Employer Match	\$634,597	\$611,834	\$598,889
Employer Discretionary	N/A	N/A	N/A
Rollover Contributions	N/A	N/A	N/A
90-24 Contract exchanges	N/A	N/A	N/A
Loan repayments	N/A	N/A	N/A

\* The current system does not separate catch-up contributions.

### Withdrawals/cash-out

	2015	2014	2013
Lump sum distributions – cash	\$375,747	\$283,572	\$479,935
Lump sum distributions – rollover	\$1,008,043	\$1,280,197	\$600,454
De Minimum payments (less than \$5,000)	\$3,905	\$1,673	\$1,394
Installment payments	\$0	\$0	\$7,300
Unforeseeable/Hardship withdrawals	N/A	N/A	N/A
Inservice withdrawals (excluding hardship withdrawals)	N/A	N/A	N/A
Loan withdrawals	N/A	N/A	N/A
Fees (ie: loans, self-directed brokerage)	N/A	N/A	N/A

### Market Value as of December 31, 2015 401(a) Plan

Asset Class	Fund	Ticker Symbol	Plan Assets
Global Equity	American Funds New Perspective R4	RNPEX	\$137,749
Core Bond	Core Plus Bond / Pim	N/A	\$2,992,339
International Equity	International Blend / Pictet	N/A	\$2,961,029
Large Cap Growth	Large Cap Growth / Jennison Fund	N/A	\$2,463,380
Global Bond	Legg Mason Bw Global Opportunities Bd I	GOBIX	\$610,813
REITs	Nuveen Real Estate Securities I	VWNFX	\$105,386
EM Equity	Oppenheimer Developing Markets Y	ODVYX	\$495,04
Real Assets	Principal Diversified Real Asset Inst	PDRDX	\$817,404
Stable Value	Principal Preservation Separate Account	N/A	\$6,016,438
Mid Cap Blend	Qma Mid Cap Quantitative Core Equity Fund	N/A	\$317,088
Large Cap Value	Sa/t. Rowe Price Equity Income Strategy	N/A	\$2,831,405
Small Cap Value	Small Cap Value / Kennedy Capital Fund	N/A	\$1,967,339
Large Cap Blend	Vanguard 500 Index Admiral	VFIAX	\$3,124,977
Small Cap Growth	Vanguard Explorer Inv	VEXPX	\$1,479,917
Small Cap Blend	Vanguard Small Cap Index Adm	VSMAX	\$228,531
International Blend	Vanguard Total Intl Stock Index Admiral	VTIAX	\$31,542
	<b>Total</b>		<b>\$26,580,387</b>

## **457(b) Plan Provisions**

<b>Plan Name:</b>	<b>City of Rockville</b>	
<b>Plan Type:</b>	<b>Defined Contribution Plan</b>	
<b>Plan Sponsor:</b>	City of Rockville 111 Maryland Avenue Rockville, Maryland 20850	
<b>Plan Year:</b>	July 1 through June 30	
<b>Eligibility:</b>	<p>Eligible to join the Plan if you make the mandatory contribution requirement and:</p> <ul style="list-style-type: none"> <li>• Are an administrative personnel hired on or after 4/15/1986</li> <li>• Are a union employee hired on or after 12/2/1986</li> </ul> <p>Eligible to enter the Plan on the first day of employment</p>	
<b>Eligible Employees:</b>	There are <b>520</b> eligible employees	
<b>Employment Locations:</b>	111 Maryland Avenue Rockville, Maryland 20850	14645 Rothgeb Drive Rockville, Maryland 20850
<b>Definition of Compensation:</b>	Base pay including longevity pay	
<b>Thrift Plan Contribution Types:</b>		
<b>Employee Pre-Tax:</b>	Insurance limitations	
<b>Employer Match</b>	None	
<b>Number of Payrolls:</b>	<b>26</b>	
<b>Payroll Frequency:</b>	<b>Bi-weekly</b>	
<b>Vesting:</b>	Employee contributions: 100% vested	
<b>Benefit Payment Events:</b>	<p>Normal or early retirement as defined by Plans</p> <p>Death</p> <p>Disability</p> <p>Termination of employment</p> <p>Must cease employment to receive this benefit</p> <p>Hardship withdrawals</p>	
<b>Loans:</b>	Not Available	

**457(b) Plan Demographics**

1. Frequency of contributions (weekly/bi-weekly/monthly)	Bi-weekly
2. Medium used to remit contributions files (electronic, disk, magnet tape, etc.)	Electronic
3. Funding method (check, wire, ACH)	ACH
4. Number of payroll locations	1
5. Number of payroll files	1

<b>Participation Breakdown</b>			
	<b>09/30/2015</b>	<b>2014</b>	<b>2013</b>
Total Active	145	146	180
Actively Contributing	131	130	138

<b>Total Plan Cash Flow</b>			
	<b>09/30/2015</b>	<b>2014</b>	<b>2013</b>
Contributions	\$778,016	\$1,122,307	\$907,461
Withdrawals [reg disb & rollouts]	\$137,306	\$1,511,804	\$896,419
<b>Net Cash Flow</b>	<b>\$640,710</b>	<b>-\$389,497</b>	<b>\$11,042</b>

<b>Stable Value Cash Flow</b>			
	<b>09/30/2015</b>	<b>2014</b>	<b>2013</b>
Contributions	\$122,487	\$147,541	\$1,552,519
Withdrawals	\$390,429	\$226,870	\$400,718
<b>Net Cash Flow</b>	<b>-\$267,942</b>	<b>-\$79,329</b>	<b>\$1,151,801</b>

<b>Stable Value Participant Participation</b>						
	<b># Ppts</b>	<b>09/30/2015</b>	<b># Ppts</b>	<b>2014</b>	<b># Ppts</b>	<b>2013</b>
Under age 25	None		None		None	
Age 26 - 35	1	\$3,201	2	\$3,652	2	\$2,898
Age 36 - 45	6	\$41,606	5	\$37,352	5	\$31,761
Age 46 - 55	23	\$574,141	26	\$628,359	30	\$631,759
Age 56 - 65	39	\$2,657,107	42	\$2,631,445	39	\$2,249,785
Age 65 - 70.5	7	\$401,249	5	\$355,512	5	\$359,388
Age 71 - 80	9	\$1,233,984	9	\$1,237,974	12	\$1,501,582
Age 80+	4	\$400,737	4	\$408,569	2	\$219,591

	<b>09/30/15</b>
Number of eligible employees	520
Number of participants active <i>and contributing</i>	<i>131</i>

Number of participants active, not contributing	
Number of terminated participants w/balances	95
Number of terminated participants w/balances less than \$5,000	7
Number of participants suspended due to hardship	1
Total account balances - participants active and contributing	\$21,625,989
Total account balances - terminated participants w/balances	\$11,073,052
Total account balances - suspended due to hardship	\$0.00
Total account balances – participants with loans	N/A
Average account balance	\$92,939
Participation rate	131/520

### Contributions/cash-in

	09/30/2015	2014	2013
Employee Pre-tax (excluding catch-up contributions)	\$778,017	\$1,122,307	\$907,461
Rollover Contributions	\$161,579	\$15,480	\$187,920

### Withdrawals/cash-out

	09/30/2015	2014	2013
Lump sum distributions – cash	\$136,994	\$596,621	\$365,097
Lump sum distributions – rollover	\$540,142	\$915,183	\$531,322
Installment payments	\$503,198	\$596,621	\$365,097
Fees (ie: loans, self-directed brokerage)	\$232	\$113	\$77

## Market Value as of December 31, 2015

### 457(b) Plan

Asset Class	Fund	Ticker Symbol*	Plan Assets
		<i>*Underlying fund ticker for VT Funds</i>	
Stable Value / Cash Management	VT PLUS Fund	N/A	\$5,242,362
Stable Value / Cash Management	VT Cash Management Fund	DPCXX	\$167,434
Certificate of Deposit	VT BoA MMDA (1 Year CD)	N/A	\$0
Certificate of Deposit	VT 1 Year BoA CD Account	N/A	\$0
Certificate of Deposit	VT BoA MMDA (3 Year CD)	N/A	\$0
Certificate of Deposit	VT 3 Year BoA CD Account	N/A	\$0
Certificate of Deposit	VT BoA MMDA (5 Year CD)	N/A	\$0
Certificate of Deposit	VT 5 Year BoA CD Account	N/A	\$0
Bond	VT Vantagepoint Core Bond Index Fund	VQCIX	\$682,919
Bond	VT Western Asset Core Plus Bond Fund	WACPX	\$412,525
Bond	VT Vantagepoint Inflation Focused Fund	VQTSX	\$146,198
Bond	VT PIMCO High Yield Fund	PHYAX	\$86,673
Target-Risk/Target-Date	VT Vantagepoint Milestone Retirement Income Fund	VQRRX	\$204,141
Target-Risk/Target-Date	VT Vantagepoint Milestone 2010 Fund	VQRQX	\$60,251
Target-Risk/Target-Date	VT Vantagepoint Milestone 2015 Fund	VQRPX	\$45,416
Target-Risk/Target-Date	VT Vantagepoint Milestone 2020 Fund	VQROX	\$447,173
Target-Risk/Target-Date	VT Vantagepoint Milestone 2025 Fund	VQRNX	\$484,641
Target-Risk/Target-Date	VT Vantagepoint Milestone 2030 Fund	VQRMX	\$531,920
Target-Risk/Target-Date	VT Vantagepoint Milestone 2035 Fund	VQRLX	\$459,788
Target-Risk/Target-Date	VT Vantagepoint Milestone 2040 Fund	VQRKX	\$356,863
Target-Risk/Target-Date	VT Vantagepoint Milestone 2045 Fund	VQRJX	\$30,649
Target-Risk/Target-Date	VT Vantagepoint Milestone 2050 Fund	VQRHX	\$105,757
Target-Risk/Target-Date	VT Vantagepoint Model Portfolio Conservative Growth Fund	VQCGX	\$204,040
Target-Risk/Target-Date	VT Vantagepoint Model Portfolio Traditional Growth Fund	VQTGX	\$522,189
Target-Risk/Target-Date	VT Vantagepoint Model Portfolio Long-Term Growth Fund	VQLGX	\$820,613
Target-Risk/Target-Date	VT Vantagepoint Model Portfolio Global Equity Growth Fund	VQAGX	\$241,094
Balanced	VT Puritan® Fund	FPURX	\$858,973
U.S. Stock	VT Vantagepoint Equity Income Fund	VQEIX	\$935,088
U.S. Stock	VT Invesco Diversified Dividend Fund	LCEYX	\$157,159
U.S. Stock	VT AllianzGI NFJ Dividend Value Fund	ANDAX	\$135,561
U.S. Stock	VT Vantagepoint 500 Stock Index Fund	VQFIX	\$581,398
U.S. Stock	VT Vantagepoint Broad Market Index Fund	VQMIX	\$536,461
U.S. Stock	VT Vantagepoint Growth & Income Fund	VQGIX	\$803,985
U.S. Stock	VT Parnassus Core Equity Fund	PRBLX	\$54,538
U.S. Stock	VT Oppenheimer Main Street Fund	MIGYX	\$155,006
U.S. Stock	VT Vantagepoint Growth Fund	VQGRX	\$1,442,937
U.S. Stock	VT Contrafund®	FCNTX	\$2,000,331
U.S. Stock	VT T Rowe Price® Growth Stock Fund	TRSAX	\$570,786
U.S. Stock	VT Vantagepoint Select Value Fund	VQSVX	\$112,452
U.S. Stock	VT Goldman Sachs Mid Cap Value Fund	GCMTX	\$312,607
U.S. Stock	VT Vantagepoint Aggressive Opportunities Fund	VQAOX	\$527,666
U.S. Stock	VT AMG TimesSquare Mid Cap Growth Fund	TMDPX	\$46,401
U.S. Stock	VT Harbor Mid Cap Growth Fund	HRMGX	\$308,827
U.S. Stock	VT Vantagepoint Mid/Small Company Index Fund	VQSIX	\$263,289
U.S. Stock	VT Vantagepoint Discovery Fund	VQDSX	\$292,937
U.S. Stock	VT Oppenheimer Discovery Fund	ODIYX	\$115,268
International/Global Stock	VT Vantagepoint International Fund	VQINX	\$325,571
International/Global Stock	VT Vantagepoint Overseas Equity Index Fund	VQOIX	\$266,441
International/Global Stock	VT Harbor International Fund	HRINX	\$125,018
International/Global Stock	VT Diversified International Fund	FDIVX	\$141,567
Specialty	VT Nuveen Real Estate Securities Fund	FARCX	\$165,583
Guaranteed Lifetime Income	VT Retirement Income Advantage Fund	N/A	\$3,071



## **ATTACHMENT C PLAN DOCUMENT**

**This document can be accessed at the following link:**

<http://www.rockvillemd.gov/DocumentCenter/View/14857>

## **ATTACHMENT D INVESTMENT POLICY GUIDELINES-THRIFT**

**This document can be accessed at the following link:**

<http://www.rockvillemd.gov/Bids.aspx>

**(ATTACHMENT E)**  
**A F F I D A V I T**

**I hereby affirm that:**

I am the \_\_\_\_\_ and the duly authorized representative of the firm of \_\_\_\_\_  
whose address is \_\_\_\_\_

**and that I possess the legal authority to make this affidavit on behalf of myself and the firm for which I am acting.**

**I further affirm:**

**AFFIDAVIT OF QUALIFICATION TO  
CONTRACT WITH A PUBLIC BODY**

1. Except as described in Paragraph 2 below, neither I nor the above firm nor, to the best of my knowledge, any of its controlling stockholders, officers, directors, or partners, performing contracts with any public body (the State or any unit thereof, or any local governmental entity in the state, including any bi-county or multi-county entity), has:

A. been convicted under the laws of the State of Maryland, any other state, or the United States of any of the following:

- (1) bribery, attempted bribery, or conspiracy to bribe.
- (2) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract.
- (3) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property.
- (4) a criminal violation of an anti-trust statute.
- (5) a violation of the Racketeer Influenced and Corrupt Organization act, or the Mail Fraud Act, for acts in connection with the submission of bids or proposals for a public or private contract.
- (6) a violation of Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland.
- (7) conspiracy to commit any of the foregoing.

B. pled nolo contendere to, or received probation before verdict for, a charge of any offense set forth in subsection A of this paragraph.

C. been found civilly liable under an anti-trust statute of the State of Maryland, another state, or the United States for acts or omissions in connection with the submission of bids or proposals for a public or private contract.

D. during the course of an official investigation or other proceeding, admitted, in writing or under oath, an act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection A or C of this paragraph.

2. [State "none," or as appropriate, list any conviction, plea or admission as described in Paragraph 1 above, with the date, court, official or administrative body, the individuals involved and their position with the firm, and the sentence or disposition, if any]. \_\_\_\_\_

3. I further affirm that neither I nor the above firm shall knowingly enter into a contract with the Mayor and Council of Rockville under which a person or business debarred or suspended from contracting with a public body under Title 16

of the State Finance and Procurement Article of the Annotated Code of Maryland, will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

I acknowledge that this Affidavit is to be furnished to the Mayor and Council of Rockville and, where appropriate, to the State Board of Public Works and to the Attorney General. I acknowledge that I am executing this Affidavit in compliance with the provisions of Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland which provides that persons who have engaged in certain prohibited activity may be disqualified, either by operation in law or after a hearing, from entering into contracts with the Mayor and Council of Rockville. I further acknowledge that if the representations set forth in this Affidavit are not true and correct, the Mayor and Council of Rockville may terminate any contract awarded, and take any other appropriate action.

**NON—COLLUSION AFFIDAVIT**

1. Am fully informed respecting the preparation and contents of the attached bid and of all pertinent circumstances respecting such bid;

2. Such bid is genuine and is not a collusive or sham bid

3. Neither the said bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other bidder, firm or person to submit a collusive or sham bid in connection with the Contract for which the attached bid has been submitted or to refrain from bidding in connection with Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other bidder, firm or person to fix the price or prices in the attached bid or of any other bidder, or to fix any overhead, profit or cost element of the bid price or the bid price of any other bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the Mayor and Council of Rockville, Maryland (Local Public Agency) or any person interested in the proposed Contract; and

4. The price or prices quoted in the attached bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

**I do solemnly declare and affirm under the penalties of perjury that the contents of these affidavits are true and correct.**

**Signature and Title** \_\_\_\_\_ **Date** \_\_\_\_\_

**NAME OF BIDDER** \_\_\_\_\_

**RETURN THIS FORM WITH PROPOSAL**

**(ATTACHMENT F)**  
**SAMPLE FORM – DO NOT RETURN**

**AGREEMENT**

THIS AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 2012 by and between the **MAYOR AND COUNCIL OF ROCKVILLE**, a municipal corporation organized under the laws of Maryland, hereinafter referred to as the "CITY", and **<CONTRACTOR'S NAME>** hereinafter referred to as "**CONTRACTOR**".

**WITNESSETH**

WHEREAS, the City desires the Contractor to provide **<DESCRIBE THE SERVICE>**

WHEREAS, the City desires to employ the services of the Contractor in connection with the aforementioned service under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the covenants and promises set forth, the parties hereto agree as follows:

**1. SCOPE OF WORK.** The Contractor agrees to perform the work described and be bound by the terms and conditions set forth in the **<letter agreement dated xxx or RFP# and title>** hereto attached a made a part hereof and identified as Exhibit "A" and in the **CONTRACTOR'S** proposal dated **xxxx** hereto attached a made a part hereof and identified as Exhibit "B" ; **<reference other attachments as necessary>** In the event any terms of the attached exhibits conflict with this Agreement, this Agreement shall prevail. **<if numerous exhibits list prevailing exhibit(s)>**

Contractor shall perform the services described in this Agreement (a) in a timely, diligent and professional manner in accordance with recognized standards of the applicable industry or profession, and; (b) in accordance with the time periods set forth in this Agreement and in the schedule and sequencing specified by the City. Contractor shall furnish efficient business administration and superintendence and shall use its best efforts to ensure that such services being performed under this Agreement are completed in the best way and in the most expeditious and economical manner consistent with the City's best interests.

**2. REVIEW BY CITY.** The Contractor agrees that the work and records covered by this Agreement will be subject to review, at all times, by representatives of the City.

**3. OWNERSHIP RIGHTS.** All finished or unfinished documents, data, studies, surveys, drawings, CADD drawings, maps, models, photographs, letters and reports prepared by the Contractor or his subcontractors shall become the property of the City.

**4. EQUAL EMPLOYMENT OPPORTUNITY.** During the performance of this Agreement, the Contractor agrees that he will comply with all applicable federal, state and local laws relating to discrimination in employment.

**(ATTACHMENT F)**  
**SAMPLE FORM – DO NOT RETURN**

5. INDEMNIFICATION. The Contractor agrees to indemnify and save harmless the City against any liability, claim, demand for personal injury or property damage, and other expenses or losses suffered or arising out of or caused by any negligent act or omission of the Contractor, its subcontractors, servants, agents or employees incurred in the performance of the Agreement.

6. TIME OF ESSENCE. The Contractor acknowledges that time is of the essence in providing the services under this Agreement and agrees to assign adequate personnel sufficient to respond to requests for service.

7. CONTRACT TERM. This Agreement shall be effective upon execution of the contract and shall continue through **<TERM/ OR COMPLETION DATE>**

8. TERMINATION FOR CONVENIENCE. The City may terminate this Agreement for convenience by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. If the Agreement is terminated by the City as provided in this Section the Contractor will be paid on a pro-rata basis for work performed prior to the effective date of such termination.

9. TERMINATION FOR CAUSE. If through any cause, the Contractor shall fail to fulfill in a timely and proper manner his obligation under this Agreement, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. If the Agreement is terminated by the City as provided in this Section the Contractor will be paid an amount based on the number of hours actually worked at the hourly rates set forth herein, or if no hourly rate is set forth, Contractor shall be paid on a pro-rata basis for work performed. Notwithstanding the above, the Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Contractor, and the City may withhold any payments due the Contractor up to the full amount of the Contractor's fee, until such a time as the exact amount of damages due the City from the Contractor is determined by any Court of competent jurisdiction.

10. COMPLIANCE WITH LAWS. The Contractor shall observe and comply with federal, state, county and local laws, ordinances and regulations that affect the work to be done herein, and shall indemnify and hold the City harmless, and all of its officers, agents and servants against any claim or liability from or based on the violation of any such law, ordinance or regulation, whether by the Contractor or the Contractor's agent. Notwithstanding the foregoing, in the event that the Contractor determines that a conflict exists between any applicable law, ordinance and/or regulation, the Contractor will so advise the City and the City will decide which law, ordinance and/or regulation shall be followed.

11. SUBCONTRACTS. None of the services covered by this Agreement, shall be subcontracted without the prior written consent of the City. The Contractor will require all subcontractors to have in effect at all times insurance coverage as required by the City in Exhibit

**(ATTACHMENT F)**  
**SAMPLE FORM – DO NOT RETURN**

“A” for negligent acts, errors and omissions of subcontractors and their employees and the City shall be named as an insured party.

12. ASSIGNMENT. The Contractor shall not assign or transfer any interest in this Agreement without the prior written approval of the City.

13. INSURANCE. The Contractor shall carry insurance with limits as required in Exhibit “A” by the City and shall provide to the City a certificate evidencing the same.

14. CONFLICTS OF INTEREST. The Contractor covenants that it has presently no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required to be performed under this Agreement. The Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed.

15. DISPUTES. Except as otherwise provided in this agreement, any dispute concerning a question of fact arising out of this agreement which is not disposed of by agreement, shall be decided in accordance with Section 17-174 of the City’s Purchasing Ordinance as set forth in Chapter 17 of the Rockville City Code.

16. GOVERNING LAW. This Agreement is executed in the State of Maryland and shall be governed by Maryland law. The Contractor, by execution of this Agreement, consents to the jurisdiction of the Maryland state courts with respect to any dispute arising out of this agreement and further consents to venue in Montgomery County, Maryland.

17. SUCCESSORS AND ASSIGNS: This Agreement shall be binding and inure to the benefit of all successors and assigns of the parties hereto. Notwithstanding the foregoing, this Agreement shall be considered a personal services contract and the Contractor shall not assign any right or obligation under this Agreement without the City's express written consent which may be withheld in the City's sole and absolute discretion.

18. INDEPENDENT CONTRACTOR. The Contractor shall perform this Agreement as an independent contractor and shall not be considered an agent of the City, nor shall any of the Contractor's employees or agents be subagents of the City.

19. COMPENSATION. The Contractor shall provide to the City the services described in the amount not to exceed <OR LUMP SUM \$>. In the event the labor hours and expenses exceed this amount the Contractor shall complete the task with no additional compensation.

20. INVOICING. Requisitions for payment shall include a complete description of the services rendered, personnel, hourly rates, hours and date of services. All requisitions shall be submitted to the City of Rockville, Attn: Mr. xxxx, 111 Maryland Avenue, Rockville, MD 20850.

**(ATTACHMENT F)**  
**SAMPLE FORM – DO NOT RETURN**

21. MODIFICATION. This agreement may be modified only by written instrument signed by both parties hereto.

22. ENTIRE AGREEMENT. This agreement, including the exhibits attached hereto, constitutes the entire agreement between the City and the Contractor, and the parties shall not be bound by any prior negotiation, representations or promises, not contained herein.

IN WITNESS WHEREOF, the parties have set their hands and seals hereto on the date written above.

ATTEST

THE MAYOR AND COUNCIL OF  
ROCKVILLE

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Manager

ATTEST

<CONTRACTOR NAME>  
By: \_\_\_\_\_ (Seal)

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Print or Type Title

\_\_\_\_\_  
Print or Type Title

Approved as to form and legality:

\_\_\_\_\_  
City Attorney



**(ATTACHMENT G)**  
**GENERAL TERMS, CONDITIONS AND INSTRUCTIONS – DO NOT RETURN**



**CITY OF ROCKVILLE  
 MARYLAND  
 GENERAL CONDITIONS AND INSTRUCTIONS TO BIDDERS  
 (PROPOSAL 10.2012)**

1. **TERMS AND CONDITIONS** The terms and conditions of this document govern in event of conflict with any terms of the bidder's proposal, and are not subject to change by reasons of written or verbal statement by the Contractor unless accepted in writing. Words and abbreviations that have well known technical or trade meanings are used in accordance with such meanings.
2. **PREPARATION** All bids are to be submitted in a sealed envelope to the Purchasing Office marked with the bid number.  
  
Conditional bids and bids containing escalator clauses will not be accepted. Bids must be signed by an individual authorized to bind the bidder.
3. **LATE BIDS** It is the bidder's responsibility to assure delivery of the bid at the proper time to the designated location. Bids delivered to any other office or location will not be considered.
4. **BID AWARD** The award will be made to the offeror whose proposal, in the opinion of the City is the best taking into consideration all aspects of the offeror's responses, including total net cost to the City. In the event that the offeror to whom the award is made does not execute a contract within 15 days from receipt of the contract, the City may give notice to such offeror of intent to award the contract to the next most qualified offeror, or to call for new proposals.
5. **ADDENDUM** In the event that any addenda to this solicitation is issued, all solicitation terms and conditions will retain in effect unless they are specifically changed in the addendum. It is the responsibility of the bidder to make inquiry as to addenda issued. Oral answers to questions relative to interpretation of specifications or the proposal process will not be binding on the City. Such addendums, if issued, will posted at: <http://rockvillemd.gov/business/bids.htm#bids>  
  
Please note, that it is the bidder's responsibility to check this site frequently for Addendums, which may impact pricing, this document's requirements, terms and/or conditions. Failure to acknowledge an addendum on the bid proposal form or to sign and return an Addendum with your response may result in disqualification of proposal.
6. **ACCEPTANCE/REJECTION OF BIDS** The City reserves the right to reject any or all bids in part or full and to waive any technicalities or informalities as may best serve the interests of the City.  
  
Bids shall be valid for a minimum of 120 days following the deadline for submitting offers. Bids may not be withdrawn during that period. If an award is not made during that period, all offers shall be automatically extended for another 120 days. Offers will be automatically renewed until such time as either an award is made or proper notice is given to the Purchasing Agent of Offeror's intent to withdraw its offer. Offers may only be canceled by submitting Notice at least 15 days before the expiration of the then current 120-day period.
7. **MULTI-YEAR BIDS** Multi-year contracts may be continued each fiscal year only after funding appropriations have been granted. In the event necessary funding appropriation is not granted, the multi year contract shall be null and void, effective July 1st of the affected year.
8. **ERRORS IN BIDS** When an error is made in extending total prices the unit bid price will govern. Erasures in bids must be initialed by the bidder. Carelessness in quoting prices or in preparation of bid will not relieve the bidder from performing the contract.
9. **BID WITHDRAWAL** Requests for withdrawal of bids prior to bid opening shall be transmitted to the Purchasing Agent in writing.
10. **MISTAKES** Bidders are expected to be thoroughly familiar with all bid documents, including all addenda. No consideration will be granted for any alleged misunderstanding of the intent of the specifications. Each bidder shall carefully and thoroughly examine these bid documents for completeness. No claim of any bidder will be allowed on the basis that these bid documents are incomplete.



**(ATTACHMENT G)****GENERAL TERMS, CONDITIONS AND INSTRUCTIONS – DO NOT RETURN**

11. **SENSITIVE DOCUMENTS** Sensitive documents (either electronic or hardcopy documents dealing with critical facilities or sensitive information) received from the City must be handled consistent with the terms of non-disclosure required for application. Contractor is responsible to restrict use of sensitive documents to project participants only and shall take appropriate measure to prevent distribution of sensitive document to anyone inside or outside of the Contractor's company except Contractor's project participants. After completion of the project, all sensitive documents remaining in the Contractor's possession shall continue to be governed under the terms of non-disclosure and must continue to be store in a secure manner. After such records are no longer need for record purposes, the records shall be destroyed or returned to the City.

Where services require the Contractor to access the City's electronic information resources and/or its electronic data assets, the Contractor shall adhere to all requirements, terms and conditions of the City's Contractor/Vendor On-Site and Remote Access Confidentiality Agreement, which can be viewed at the following web address:  
[http://www.rockvillemd.gov/business/Rockville\\_Confidentiality\\_Policy.pdf](http://www.rockvillemd.gov/business/Rockville_Confidentiality_Policy.pdf).

12. **DOCUMENTS, MATERIALS AND DATA** All documents materials or data developed as a result of this contract are the City's property. The City has the right to use and reproduce any documents, materials and data, including confidential information, used in the performance of, or developed as a result of this contract. The City may use this information for its own purposes, including reporting to state and federal agencies. The contractor warrants that it has title to or right to use all documents, materials or data used or developed in connection with this contract. The Contractor must keep confidential all documents, materials and data prepared or developed by the contractor or supplied by the City.
13. **INTEREST IN MORE THAN ONE BID AND COLLUSION** Multiple bids received in response to a single solicitation from an individual, firm, partnership, corporation, affiliate, or association under the same or different names will be rejected. Reasonable grounds for believing that a bidder is interested in more than one bid for a solicitation both as a bidder and as a subcontractor for another bidder, will result in rejection of all bids in which the bidder is interested. However, a firm acting only as a subcontractor may be included as a subcontractor for two or more bidders submitting a bid for the work. Any or all bids may be rejected if reasonable grounds exist for believing that collusion exists among any bidders. Bidders rejected under the above provisions shall be disqualified if they respond to a re-solicitation for the same work.
14. **EXECUTION OF CONTRACT** The Contractor shall be required to execute a formal agreement with the City within fifteen days from the award. A sample of the agreement is attached. No revisions to the agreement will be allowed.
15. **COMPENSATION** The City will compensate the Contractor in the form of either lump sum payment upon completion and acceptance of the work or monthly progress payments. In either event, compensation shall not exceed any fixed, firm Lump Sum or Total proposed pricing within the Contractor's offer. All non-labor costs associated with administration, including but not limited to plan copies, courier, mailing data processing, forms, fax transmission, telephone calls, printing, office supplies, copying, are to be included with the pricing and hourly rates offer, otherwise they shall become the responsibility of the Contractor. No payment or reimbursement will be made for travel expenses.
16. **INVOICING** The Contractor shall submit invoices, in duplicate, which shall include a detailed breakdown of all charges for that monthly period including employee names, date of services, itemized cost (hours and hourly rates) for service.
- Invoices shall be based upon completion of tasks and deliverables and shall reference a City Purchase Order number. All such invoices will be paid promptly by the City of Rockville unless any items thereon are disputed in which event payment will be withheld pending verification of the amount claimed and the validity of the claim. The firm shall provide complete cooperation during any such investigation. All invoices shall be forwarded to the following address: City of Rockville, Attn: (Project Manager), 111 Maryland Avenue, Rockville, MD 20850.
17. **ELECTRONIC PAYMENT OPTION** The Vendor ACH Payment Program of the City allows payments to be deposited directly to a designated financial institution account. Funds will be deposited into the account of your choice automatically and on time. All transactions are conducted in a secure environment. The program is totally free as part of the Finance Department's efforts to improve customer services. Program information and registration can be viewed at the following web address:  
<http://www.rockvillemd.gov/business/payment>
18. **PAYMENT TO SUBCONTRACTOR** Within seven days after receipt of amounts paid by the City for work performed by a subcontractor under this contract, the Contractor shall either: Pay the Subcontractor for the proportionate share of the total payment received from the City of Rockville attributable to the work performed by the Subcontractor under this contract; or Notify the City of Rockville and Subcontractor, in writing, of his/her intention to withhold all or a part of the Subcontractor's payment and the reason for non-payment.
19. **PERSONNEL** Principal or key personnel included in the proposal may not be substituted without written approval of the City of Rockville. Replacements for key personnel under the contract must have equivalent professional qualifications and experience as those individuals listed in the proposal. The Consultant must submit written

**(ATTACHMENT G)**  
**GENERAL TERMS, CONDITIONS AND INSTRUCTIONS – DO NOT RETURN**

professional qualifications and experience for approval within ten working days prior to replacement for City review and approval or rejection.

20. **PRICE ADJUSTMENTS (CPI)** Unless otherwise stated in the bid document, rates quoted are to be firm for two (2) years after award of a contract. These rates will apply to additional work, change orders and contract modifications. A request for price adjustment after the 2-year period is subject to approval or rejection by the Purchasing Agent. The Consultant shall submit to the Purchasing Agent sufficient justification to support the Consultant's request. A request for price adjustment may not be approved which exceeds the amount of the annual percentage change of the Consumer Price Index (CPI) for the twelve-month period immediately prior to the date of the request.
21. **INTERPRETATION** Any questions concerning general instruction and specifications shall be directed in writing to the Purchasing Office. The submission of a bid shall be prima facie evidence that bidder thoroughly understands the terms of the specification. The Contractor shall take no advantage of any error or omission in the specifications.
22. **DELIVERY** All time limits stated in the contract documents are of the essence. The Contractor shall expedite the work and achieve substantial completion within the contract time. If time limits are not specified, state the number of days required to make delivery/completion in the space provided. Defective or unsuitable materials or workmanship shall be rejected and shall be made good by the Contractor, notwithstanding that such materials/workmanship have been previously overlooked and accepted.
23. **DELAYS/EXTENSION OF TIME** If the Contractor is delayed in the delivery of the supplies, equipment or services by any act or neglect of the City or by a separate Contractor employed by the City, or by any changes, strikes, lockouts, fires, unusual delays in transportation or delay authorized by the City, the City shall review the cause of such delay and shall make an extension if warranted.

All claims for extensions must be a written notice sent to the Purchasing Agent within ten (10) calendar days after the date when such alleged cause for extension of time occurred. All such claims shall state specifically the amount of the delay the Contractor believes to have suffered. If statement is not received within the prescribed time the claim shall be forfeited and invalidated.

24. **TERMINATION FOR DEFAULT** The contract may be cancelled or annulled by the City in whole or in part by written notice of default to the Contractor upon nonperformance or violation of contract terms and an award may be made to second ranked Bidder, or, the work may be purchased on the open market similar to those so terminated. In either event, the defaulting Contractor (or his surety) shall be liable to the City for costs to the City in excess of the defaulted contract prices.
25. **TERMINATION FOR CONVENIENCE** The performance of work or services under this contract may be terminated in whole or part, upon five (5) calendar day's written notice when the City determines that such termination is in its best interest. The City shall be liable only for those accepted goods and/or services furnished prior to the effective date of such termination.
26. **ABANDONMENT, DISSOLUTION AND RESTRUCTURING** A Contractor who abandons or defaults the work on this contract and causes this contract to be re-bid will not be considered in future bids for the same type of work unless the scope of the work is significantly changed. Written notification of changes to company name, address, telephone number, etc. shall be provided to the City Of Rockville as soon as possible but not later than thirty (30) days from date of change.
27. **CHANGES** The City, without invalidating the contract, may order written changes in the scope of work consisting of additions, deletions or modification with the contract sum and time being adjusted accordingly. All such changes shall be made in writing by the Purchasing Agent.

Costs shall be limited to the following: cost of materials, cost of labor and additional costs of supervision and field office personnel directly attributable to the change.

The cost or credit to the City from a change in the scope of work shall be determined by mutual agreement. The Contractor shall do all work that may be required to complete the work contemplated at the unit prices or lump sum to be agreed upon.

No alterations or variables in the terms of the contract shall be valid or binding upon the City unless made in writing and signed by the City.

28. **EXTRA COSTS** If the Contractor claims that any instructions by drawings or otherwise involve extra cost or extension of time, a written request must be submitted to the Project Manager within ten (10) calendar days after receipt of such instructions and before proceeding to execute the work, stating in detail the basis for objection. No such claim will be considered unless so made.



**(ATTACHMENT G)**  
**GENERAL TERMS, CONDITIONS AND INSTRUCTIONS – DO NOT RETURN**

Any discrepancies which may be discovered between actual conditions and those represented by the specifications and/or drawings shall be reported to the City and work shall not proceed, until written instruction has been received by the Contractor from the City. On drawings the figured dimensions shall govern in the case of discrepancy between the scales and figures.

Anything shown on applicable plans and not mentioned in the specifications or mentioned in the specifications and not shown on the plans have the same effect as if shown or mentioned respectively on both.

29. **GUARANTEE** All guarantees and warranties required shall be furnished by the Contractor and shall be delivered to the Project Manager before final payment is made.

The Contractor guarantees that the items conform to the design and specifications and to drawings, samples or other descriptions referred to in this document. The Contractor further guarantees the items will be free from defects in materials and workmanship, latent or patent and are suitable for the intended purpose as far as the Contractor knows or has reason to know. The guarantee contained herein shall remain in full force and effect for a minimum of one year after initial delivery to the City unless another effective period is specified.

30. **DEFECTIVE SUPPLIES/SERVICE** Defective or unsuitable materials or workmanship shall be rejected and shall be made good by the Contractor. Contractor shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all its effort and other services furnished by Contractor under the Agreement. Without additional compensation, Contractor shall correct or revise any errors, omissions, or other deficiencies in all products of its efforts and other services provided. This shall include resolving any deficiencies arising out of the acts or omissions of Contractor found during or after the course of the services performed by or for Contractor under this Agreement, regardless of City having knowledge of or condoning/accepting the products or the services. Correction of such deficiencies shall be at no cost to City.

31. **LEGAL REQUIREMENTS** All materials, equipment, supplies and services shall conform to applicable Federal, State County and City laws, statutes, rules and regulations. The Contractor shall observe and comply with all Federal, State, County and City laws, statutes, rules and regulations that affect the work to be done. The provisions of this contract shall be governed by the laws of the State of Maryland.

32. **SUBCONTRACTING** When allowed, bidders who intend to subcontract any portion of the work including delivery, installation or maintenance will submit to the City prior to the start of work: 1) a description of the items to be subcontracted, 2) all subcontractor names, addresses and telephone numbers and 3) the nature and extent of the work utilized during the life of the contract.

This does not relieve the Contractor from the prime responsibility of full and complete performance under the contract. There shall be no contractual relationship between the City and any subcontractor.

33. **RESERVATIONS** The City reserves the right to add or delete any item(s) from the bid in whole or in part at the City's discretion without affecting the bid prices for any item or remaining work. Unit prices submitted in the bid shall not be increased or decreased regardless of changes in quantity.

The City may waive minor differences in specifications in bids provided these differences do not violate the specifications' intent nor materially affect the operation for which the items are being purchased.

34. **AUTHORITY OF THE CITY MANAGER IN DISPUTES** Except as may otherwise be provided by the final agreement, any dispute concerning a question of fact arising under the agreement signed by the City and the Contractor which is not disposed of by the final agreement shall be decided by the City Manager who shall notify the Contractor in writing of his determination. The Contractor shall be afforded the opportunity to be heard and offer evidence in support of the claim. Pending final decision of the dispute herein, the Contractor shall proceed diligently with performance under the agreement signed by the City and the Contractor. The decision of the City Manager shall be final and conclusive unless an appeal is taken pursuant to City Purchasing Ordinance.

35. **INDEMNIFICATION OF THE COUNCIL** The Contractor shall indemnify and save harmless the Mayor and Council from all suits, actions and damages or costs, of every name and description to which the Mayor and Council may be subjected or put by reason of injury to persons or property as a result of the work, whether caused by negligence or carelessness on part of the Contractor, or subcontractors or agents of the Contractor.

36. **NO LIMITATION OF LIABILITY** The mention of any specific duty or liability of the Contractor in any part of the specification shall not be construed as a limitation or restriction upon any general liability or duty imposed upon the Contractor.

37. **PROPRIETARY INFORMATION** The City agrees, to the extent permitted by law, to hold all material and information belonging to the offeror, which it deems to be confidential, in strictest confidence. The Contractor agrees to hold all material and information belonging to the City or the City's agents in strictest confidence and not to make use thereof

**(ATTACHMENT G)**  
**GENERAL TERMS, CONDITIONS AND INSTRUCTIONS – DO NOT RETURN**

other than for the performance of contractual obligations, to release it only to employees requiring such information. Reasonable precautions will be exercised for the protection of any proprietary data included in the proposal.

38. **RELEASE OF INFORMATION** During the term of the final agreement, the successful Contractor shall not release any information related to the services or the performance of the services under the agreement nor publish any final reports or documents without the prior written approval of the City.

39. **PATENTS AND ROYALTIES** Whenever any article, material, appliance, process composition, means or things called for by these specifications is covered by Letter of Patent, the successful bidder must secure, before using or employing such materials, the assent in writing of the owner or licensee of such letters of patent, and file the same with the City.

The Contractor will defend, at its own expense, and will pay the cost and damages awarded in any action brought against the City based on any allegation that the items provided by the Contractor infringe on a patent and copyright license or trade secret. In the event that an injunction shall be obtained against the City's use of items by reason of infringement of any patent, copyright, license or trade secret, the Contractor will, at its expense, procure for the City the right to continue using the items, replace or modify the same so that it becomes non-infringing.

40. **MISCELLANEOUS PROVISIONS** The City and the Contractor each bind themselves, their partners, successors, assign and legal representatives of such other parties in respect to all covenants, agreements, and obligations contained in the contract document. Neither party to the contract shall assign the contract or sublet it as a whole without the written consent of the other, nor shall the Contractor assign any monies due or to become due hereunder without the previous written consent of the City. Written notice shall be deemed to have been duly served if delivered in person to the individual or member of the firm or to any officer of the corporation for whom it was intended if delivered or sent by registered or certified mail to the last known address.

Duties and obligations imposed by the contract documents and the rights and remedies available thereunder shall be in addition to and not a limitation of the duties, obligations, rights and remedies otherwise imposed or available by law, unless so indicated.

41. **ETHICS REQUIREMENTS** In accordance with the City's financial disclosure and ethical conduct policy and/or ordinances a prerequisite for payment pursuant to the terms of this contract is that the Contractor may be required to furnish explicit statements, under oath, that the City Manager, and/or any other officer, agent, and/or employee of the City, and any member of the governing body of the City of Rockville or any member or employee of a Commission, Board, or Corporation controlled or appointed by the City Council, Rockville, Maryland has not received or has not been promised directly or indirectly any financial benefit by way of fee, commission, finder's fee, or in any other manner, remuneration arising from directly or indirectly related to this contract, and that upon request by the City Manager, or other authorized agent, as a prerequisite to payment pursuant to the terms of this contract, the Contractor will furnish to the Mayor and Council of the City of Rockville, under oath, answers to any interrogatories to a possible conflict of interest has herein embodied.

42. **BROKERING** The Contractor warrants that only an established commercial or selling agency maintained by the Contractor for the purpose of securing business may be retained to solicit or secure this contract. Any brokerage arrangements must be disclosed in the proposal. For violation of this warranty, the City shall have the right to terminate or suspend this contract without liability to the City.

43. **EQUAL EMPLOYMENT OPPORTUNITY** The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, or disability. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, sex, national origin, or disability. Such action shall include but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, layoff or termination; rates of pay or other form of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices (provided by the City) setting forth the provisions of this nondiscrimination clause.

If the Contractor fails to comply with non-discrimination clauses of this contract or fails to include such contract provisions in all subcontracts, this contract may be declared void AB INITIO, cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further contracts with the City of Rockville.

Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to the Contractor's books, records and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

44. **LANGUAGE** If applicable, the Contractor shall appoint one or more crew members or supervisors to act as liaison with the City and emergency service personnel. All liaisons shall be fluently bilingual in English and the Contractor's



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**GENERAL TERMS, CONDITIONS AND INSTRUCTIONS – DO NOT RETURN**

employees' language(s), and at least one liaison shall be present at each work site at all times when any of the Contractor's employees or agents are at the site.

45. **IMMIGRATION REFORM AND CONTROL ACT** The Contractor awarded a contract pursuant to this bid shall warrant that it does not and shall not hire, recruit or refer for a fee, for employment under the contract, an alien knowing the alien is an unauthorized alien and hire any individual without complying with the requirements of the Immigration Reform and Control Act of 1986 (the Act), including but not limited to any verification and record keeping requirements. The Contractor shall further assure the City that, in accordance with the Act, it does not and will not discriminate against an individual with respect to hiring, or recruitment or referral for a fee, of the individual for employment or the discharging of the individual from employment because of such individual's national origin or in the case of a citizen or intending citizen, because of such individual's citizenship status.
46. **ASSIGNMENT** Neither this contract nor any interest therein nor claim thereunder shall be assigned or transferred by the Contractor except as expressly authorized in writing by the City.
47. **EXCLUSION** As part of the contract, the offeror must warrant that it will not engage in providing consulting or other services to any private entity regarding any property within the study area during the term of the project. This requirement is intended to avoid the appearance of any conflict of interest that may arise. This exclusion also applies to all subcontractors.
48. **OWNERSHIP OF DOCUMENTS** Any and all deliverables, including but not limited to reports, specifications, blueprints, plans, negatives, electronic files and documents, as well as, any other documents prepared by the Contractor in the performance of its obligations under the resulting contract shall be the exclusive property of the City. The Contractor shall not use, willingly allow, or cause such materials to be used for any purpose other than performance of all Contractors' obligations under the resulting contract without the prior written consent of City. Documents and materials developed by the Contractor under the resulting contract shall be the property of City of Rockville; however, the Contractor may retain file copies, which cannot be used without prior written consent of the City. The City agrees that the Contractor shall not be liable for any damage, loss, or injury resulting from the future use of the provided documents for other than the project specified, when the Contractor is not the firm of record.

**(ATTACHMENT H)**  
**INSURANCE REQUIREMENTS**

**INSURANCE REQUIREMENTS REV2 (09/08)**

Prior to the execution of the contract by the City, the Contractor must obtain at their own cost and expense and keep in force and effect during the term of the contract including all extensions, the following insurance with an insurance company/companies licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Contractor's insurance shall be primary.

The Contractor must submit to the Purchasing Division, 111 Maryland Avenue, Rockville, MD 20850 a certificate of insurance prior to the start of any work. In no event may the insurance coverage be less than shown below.

Unless otherwise described in this contract the successful contractor and subcontractors will be required to maintain for the life of the contract and to furnish the City evidence of insurance as follows:

**MANDATORY REQUIREMENTS FOR INSURANCE**

Contractor's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Contractor's insurance and shall not be called upon to contribute with it.

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
<b>1. Workers' Compensation</b> <b>2. Employers' Liability</b>	Bodily Injury by Accident: \$100,000 each accident  Bodily Injury by Disease: \$500,000 policy limits  Bodily Injury by Disease: \$100,000 each employee	Waiver of Subrogation:  WC 00 03 13 Waiver of Our Rights to Recover From Others Endorsement – signed and dated.
<b>3. Commercial General Liability</b>  a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	Each Occurrence: \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage.  CG 20 37 07 04 and CG 20 10 07 04 forms to be both signed and dated.
<b>4. Automobile Liability</b>  a. All Owned Autos b. Hired Autos c. Non-Owned Autos	Combined Single Limit for Bodily Injury and Property Damage - (each accident): \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. Form CA20 48 02 99 form to be both signed and dated.
<b>5. Excess/Umbrella Liability</b>	Each Occurrence/Aggregate: \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage.
<b>6. Professional Liability</b>	Each Occurrence/Aggregate: \$1,000,000	

Alternative and/or additional insurance requirements, when outlined under the special provisions of this contract, shall take precedence over the above requirements in part or in full as described therein.

**POLICY CANCELLATION**

No change, cancellation or non-renewed shall be made in any insurance coverage without a thirty (30) day written notice to the City Purchasing Division. The Contractor shall furnish a new certificate prior to any change or cancellation date. The failure of the Contractor to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

**(ATTACHMENT H)**  
**INSURANCE REQUIREMENTS**

**ADDITIONAL INSURED**

**The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured** on the Contractor's Commercial and Excess/Umbrella Insurance for liability arising out of contractor's products, goods, and services provided under this contract. Additionally, The Mayor and Council of Rockville must be named as additional insured on the Contractor's Automobile and General Liability Policies. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

**SUBCONTRACTORS**

All subcontractors shall meet the requirements of this Section before commencing work. In addition, Contractor shall include all subcontractors as insured's under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to all of the requirements stated herein.

**CERTIFICATE HOLDER**

**The Mayor and Council of Rockville**

**(Contract #, title)**

City Hall  
111 Maryland Avenue  
Rockville, MD 20850